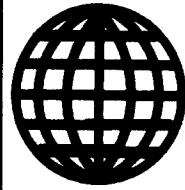


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17 AUGUST 1990



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# **Near East & South Asia**

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# Near East & South Asia

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**Warmth Returns to Algerian-Pakistani Relations**

90AA0245A London *AL-SHARQ AL-AWSAT*  
*in Arabic 15 Jul 90 pp 1, 4*

[Report by Qasiy Salih al-Darwish]

[Text] Algiers—The question of Kashmir and the bilateral relations dominated the greater part of the talks Pakistani Prime Minister Mrs Benazir Bhutto held with Algerian President Chadli Bendjedid and Prime Minister Mouloud Hamroushe during the 2-day working visit Mrs Bhutto paid to Algeria after a similar visit to Morocco.

Diplomatic circles here noted that the Algerian leadership has attached particular importance to this visit, which goes to indicate that warmth in relations between the two countries has returned to normal, after more than 12 years of cool relations that followed General Ziaul Haq's rejection of an Algerian appeal not to execute Zulfiqar Bhutto in 1977. The implications of the Afghan issue and the Algerian-Soviet friendship have contributed to this coolness.

Benazir Bhutto's visit is the third by a Pakistani prime minister to Algeria since its independence, the first was in 1972, and the second was when President Ziaul Haq attended the burial of late President Houari Boumediene.

Warmth in the bilateral relations began to rise about a year ago when President Bendjedid chose one of his former advisers, Dr. Mahidine Amimour, to become Algerian ambassador to Islamabad in order to oversee the reactivation of relations, which has indeed been achieved. The Pakistani foreign minister also visited Algeria a few months ago.

In a rare gesture, President Bendjedid invited the head of the Pakistani government to an unofficial family dinner at his residence. Benazir Bhutto's husband and her young son are accompanying her on this trip.

*AL-SHARQ AL-AWSAT* has learned from reliable sources that on her second Arab trip Benazir Bhutto is seeking Arab-Islamic support for Pakistan for the coming Islamic summit on the question of Kashmir. This certainly reflects her need to implement the UN resolutions that provide for the Kashmir inhabitants' right to self-determination through the choice of joining either Pakistan or India.

Mrs Bhutto had similar talks in Morocco with King Hassan II, the Moroccan monarch, Prime Minister Azeddine Laraki, and senior Moroccan officials. Bhutto is scheduled to end her Arab tour with a visit to Bahrain on her way home.

## NEAR EAST

## REGIONAL AFFAIRS

**Commerce Official on Relations With EEC, China**  
*90AE0099A London AL-HAWADITH*  
*in Arabic 4 May 90 pp 46-47*

[Interview with Muhammad 'Abdallah al-Mulla: "Voluntary Merger Allows Gulf Banks To Face European Developments"]

[Text] The Gulf Market Federation is planning a number of internal and external activities to face the challenges Gulf businessmen and groups are increasingly facing in the wake of lower oil revenues on the one hand and the completion of infrastructure projects on the other hand, thus causing a slump in the activities of certain Gulf institutions that have doubled in number and are now suffering from stiff competition among themselves.

The federation's general secretariat has succeeded in consolidating its international ties and making it easier for businessmen to establish contacts with the outside world to pursue their exports that are now flooding the markets in more than 60 countries and in transferring and incorporating modern technology into advanced projects. Moreover, the federation's future tasks require massive efforts and many different dimensions.

AL-HAWADITH met with Muhammad 'Abdallah al-Mulla, secretary general of the Gulf Chambers of Commerce Federation to talk about these tasks and the federation's future vision.

[AL-HAWADITH] You are getting ready for an Arab-French dialogue in Paris. What are the dimensions of this dialogue and the issues that will be raised?

[Al-Mulla] The idea of the conference stemmed from the deep-rooted economic cooperation relations between the GCC countries and the EEC and from the importance of pursuing the active movement within the EEC framework to draw up regulations, bylaws and social and institutional arrangements to regulate economic activity; to remove material, technical, and tax barriers on trade, movement of capital and business; and to finalize European economic unity by the end of 1992.

And, based on the private sector's positive and pioneering role, the general secretariat has sponsored this conference amid GCC chambers of commerce's massive approval, support, and consensus on the importance and need for such a conference. The preparatory sub-committee made up of GCC chambers of commerce is now conducting an extensive study of the conference's central themes proposed by the federation's secretariat to include four major topics divided into five sub-themes to be presented in working papers submitted by the Gulf side with corresponding papers submitted by the European side. These papers will cover the investment, trade exchange, services, banks, energy, and petrochemical fields. The issues proposed in each theme will be detailed

after the preparatory committee's upcoming meeting in light of the industrialists' conference resolution in Granada.

[AL-HAWADITH] What do you think of the Granada conference's results aimed at bringing the Gulf and European points of view closer together on the subject of petrochemicals?

[Al-Mulla] The petrochemical industry is among the most dynamic and most vital manufacturing industries and the most able to generate industrial intertwinement. It has generated a high value for raw materials that used to be squandered and has participated in providing the basic ingredients for numerous successful industries, and the way is still clear for the establishment of new, profitable ones. These industries' drift toward world markets is natural because the Gulf countries are seeking to diversify their exports in order not to remain captive to a single commodity. Furthermore, they have been built on a major scale basically with the idea of exporting, keeping in mind that so far the local market has absorbed no more than 25 percent of their production. Such bids are essential and mandatory for, as a major 12-member market, the EEC provides an important opportunity that cannot be overlooked. Moreover, the Arab Gulf countries purchase over 43 percent of their overall imports from the EEC, hence it is essential and mandatory to rectify the situation by sending an equal amount of our exports to this market. Moreover, since we do not adopt the strategy of production from within in closed markets, as do the United States and Japan, but rather seek to establish profitable industries inside our territorial borders for clear economic and social developmental objectives, we have no alternative but to rally round the European protectionist measures. Therefore, our only option is to direct exportation and we have no choice but to knock at all doors and open the closed ones.

I believe that European protectionism was imposed by a political decision and, therefore, the existing dialogue between the Gulf petrochemical producers and their European counterparts brings together two groups with conflicting and competing interests. Gulf industry looks to the future with confidence, aware that European tariffs on Gulf petrochemicals were imposed only in response to pressures by European producers. We hope that these meetings will lead to the lowering or removal of these tariffs and that the Gulf side will keep this subject within the political framework it used in its discussion with the EEC delegation. For efforts to deal with the issue of tariffs imposed for political considerations may be impaired if taken out of the original framework. At any rate, opening windows can in certain cases make up for opening doors.

[AL-HAWADITH] You said in a previous interview that of all the Arab and Gulf economic sectors, the banking and financial sector will be hurt the most when European unity is finalized. In what way? And what arrangements

have we made to face this unity's positive as well as negative impact on our Gulf markets?

[Al-Mulla] Given its high susceptibility to all economic policies be they financial or monetary, the banking sector is the mirror that reflects the economic situation in society. After surmounting the negative effects that built up in certain Gulf countries during the economic recession, this sector is looking forward to embarking on a new phase. Some banks are directing their efforts toward global expansion and the opening of new horizons for growth and development. Other Gulf banks have actually opened branches abroad and Gulf economic leaders have established a large number of banks and joint ventures with foreigners abroad, in EEC countries in particular. But the biggest drawback of national and expatriate banks may be their small size and weak financial structure that do not help them to meet the proposed financial eligibility requirements to be put into effect when European economic unity is finalized by the end of 1992. Moreover, the notion of expansion and entry into the European market by banks from the Gulf countries whose regimes do not allow the opening of foreign bank branches in their markets is greatly curtailed by the demand for reciprocity.

And, in an effort to fend off the negative effects of European unity, small banking institutions will have to move toward a voluntary merger with the help of central banks and monetary establishments in order to raise their assets, lower their expenditures and improve their financial eligibility.

[AL-HAWADITH] Observers believe that events in East Europe will play an effective role in the world. Has the federation taken any action to monitor these changes and their economic repercussions on the Arab world, and are you planning for specific initiatives in this direction?

[Al-Mulla] The effects and repercussions of the disintegration of the communist regimes in East Europe are still limited to political and social aspects and have not crossed over to economics because the changes that have occurred have not had enough time to effect the economy. Should these new regimes succeed in surmounting the internal divisions and power struggles within a short period of time, each case would be studies on its own merits. To assess the situation the way it is now, relaxation of international political tensions will sharply shift the struggle toward the economic issues, thus intensifying the competition for markets and resources. The Arab world is rich in resources and is now witnessing an improved investment climate and political detente which translates into a positive climate for joint economic action. This may turn into a necessary ingredient to avert the anticipated stiff competition for resources. Furthermore, it is imperative to step up cooperation and collaboration in order to alleviate the economic pressures on the less developed Arab economies

and to make up for the possible diversion of some of the foreign aid they receive from Western countries to East Europe.

[AL-HAWADITH] You were among the first to advocate reaping economic benefits from communist China's enormous size. How far have you gone in pursuing your advocacy and what is the future of trade relations between Gulf and Chinese businessmen?

[Al-Mulla] The secretariat of the Arab Gulf chambers of commerce was one of the first Arab organizations to advocate taking advantage of the vast consumer market in Communist China, one of the largest developing countries and, with a population of over a billion people, indeed the most densely populated in the world. Furthermore, China's technological advancements in all fields of industry can meet the Gulf countries' needs at relatively low prices compared to technologies imported from industrial countries, be they in Europe or the United States. China recently adopted economic reform policies aimed at attracting foreign investments and remitting capital and profits in foreign currencies abroad and has allowed the establishment of joint industrial projects. Everyone knows that China is a major client for petrochemicals and fertilizers, with imports estimated at \$12 billion and a potential for growth. Therefore, with its vast market, China can absorb the Gulf's surplus petrochemical products, and it maintains historic and cultural relations and has a large number of Muslims. Chinese foreign policy is marked by moderation and support for Arab causes, foremost being the Palestinian cause.

Economic relations between the Gulf states and China have begun to grow and develop in the wake of visits made by officials and trade delegations from both sides and Chinese fairs are being held in Gulf countries on a regular basis. The signing of a memorandum of understanding between Saudi Arabia and the Republic of China to set up trade representations in both countries is expected to yield some positive results. Saudi exports to China went from 55 million Saudi riyals in 1986 to about 200 million in 1987 and 400 million in 1988. Most of these exports are intermediate manufacturing goods. In light of these developments, there are great potentials for the development of trade relations between China and the Gulf states, on the part of Gulf businessmen in particular, by seeking to explore foreign market opportunities for their products that are known for their excellent quality and prices that qualify them to enter a vast market such as that of communist China.

[AL-HAWADITH] The Gulf summit accorded special attention to the standardization of tariffs among GCC countries in preparation for the establishment of a common market. What kind of impact do you think such resolutions will have on economic stimulation in GCC countries?

[Al-Mulla] There is no doubt that a common market would be the core of economic stimulation in GCC

countries and that the attention the Gulf summit accorded to the standardization of tariffs stems from the GCC leaders' perception that this issue is the key and the basic prerequisite for the actual establishment of a common market. Their aim was to cross the transitional stage of setting high and low ceiling to a more developed one, namely the standardization of tariffs.

Looking at the EEC's relationship with and impact on GCC countries after 1992, we find that tariff standardization in GCC countries is a necessity dictated by new circumstances as a natural reaction and an inevitable measure aimed at saving GCC countries the need to deal with peripheral issues that will be created by developments in the EEC and in the framework of a united Europe.

From an economic point of view, a standardized tariff indisputably would eliminate the existing customs problems which are the greatest obstacle in the way of trade stimulation among GCC countries.

[AL-HAWADITH] You attended the meetings of the joint committee of six. What resolutions and recommendations did you come out with to stimulate economic cooperation among GCC businessmen?

[Al-Mulla] The committee of six is the vehicle the GCC chambers of commerce have chosen to regulate the relationship between them and the GCC's general secretariat whereby the directors and members of the board of GCC chambers of commerce meet periodically with the secretary general and the assistant secretary general for economic affairs. These meetings are usually attended by joint Gulf investment and financing organizations and institutions. The meeting held at the headquarters of the Omani Chamber of Commerce and Industry was the sixth such meeting. The GCC secretary general apprised the presidents and members of the chambers of commerce of the economic resolutions the Gulf summit issued in Muscat and of future tendencies in the nineties. The conferees also became acquainted with the projects the Gulf Investment Establishment is implementing or partially funding through a paper presented by the executive director between the GCC countries and the Gulf Bureau of Standards following deliberations on the contents of the memorandum the chief of the bureau had submitted.

The meeting also studies numerous memoranda submitted by the GCC general secretariat and the member chambers and by the federation's Unified Economic Agreement Affairs Administration dealing with issues pertaining to the implementation of the GCC unified economic agreement and the removal of obstacles blocking the easy flow of national commodities between GCC countries.

[AL-HAWADITH] The establishment of Arab regional blocs will undoubtedly be a mainstay in the collective efforts to deal with Arab economic issues, in the forefront of which is the Arab Common Market. How do you view the dimensions of Arab economic cooperation

through such blocs, and does the federation have a specific vision of how to regulate relations between Arab businessmen within these blocs?

[Al-Mulla] Arab regional blocs represent the latest development in Arab joint action. They are a realistic step aimed at redressing the frailty of national organizations and allowing joint action to cross from the realm of ambition to the achievement of the possible. Perhaps the successful GCC experience, although beset by certain negativisms, has greatly contributed to the enhancement of GCC trade exchanges and the establishment of numerous joint investment ventures, thus encouraging people in Arab countries with similar political, economic and social circumstances to form regional blocs which are still in the crystallization stage and, therefore, it is too early to judge them or expect them to have a steady role in bolstering and activating Arab economic cooperation. Having monitored the steps the GCC has taken, such a role requires a strong political will as well as interaction and dynamism on the part of the economic sectors that stand to benefit from the effort aimed at expediting and facilitating the movement of goods, capital and business.

As for the federation's vision of how to regulate the Arab businessmen's relationship in these blocs, the existing frameworks—the General Federation of Arab Chambers of Commerce and the innovative mechanism for holding periodic meetings every two years for Arab businessmen and investors under Arab League sponsorship and with the cooperation of joint Arab economic organizations—have been highly competent in fulfilling their role. Apparently efforts have been made, as several meetings have been held, to establish chamber of commerce federations in the two new blocs: the North African Federation and the Arab Cooperation Council. When these organizations are established, it will be possible to study the potential for joint cooperation within the framework of the General Federation of Arab Chambers of Commerce whose role, existence, continuity and numerous positive accomplishments are closely guarded by all the chambers.

[AL-HAWADITH] You took part in the Gulf industrialists conference held recently in Muscat. What is the extent of the current industrial coordination and what new projects have been devised to support and incorporate Gulf heavy industries? Also, what about the joint industrial projects the federation is currently promoting?

[Al-Mulla] The Gulf industrialists conference is one of the pioneering periodic conferences held in the Arab area. The Muscat conference held under the motto "for the sake of a key public sector role in industrial development" was a most successful conference for it set forth, through discussion and dialogue, the private sector's current role in industry and it explored ways to develop it in order to realize a new industrial advancement.

And whereas the conference's most striking success has been in the economic information media, which it used to acquaint businessmen and investors with all the positive things available to the Gulf economies, and in bolstering the private sector's role in development, industrial coordination has always been the overriding concern and it was the focus of deliberations during the second conference held in Riyadh at the end of 1987. However, coordination is now done through new more specialized channels that can monitor and implement, for the Gulf petrochemical industries conference keeps track of coordination matters in the petrochemical industry.

Furthermore, coordination in other basic industries, the aluminum industry in particular, is done through the Arab Aluminum Conference, ARABAL. As for the medium and small industries, the Gulf Industrial Investment Organization, with the cooperation of the federation and the concerned Gulf factories and producers, organizes periodic meetings at the organization's headquarters in Doha. So far, these meetings have covered several fields including cement, cables, synthetic sponges, plastic bags and ware and other industries. Coordination in this regard is done through joint associations of the same industrial branch. A meeting attended by the federation's secretariat was held last January 1990 at the organization's headquarters to discuss the matter of coordination in the Gulf airconditioning industries. Coordination will continue to be a central issue on which efforts ought to be focused. And in view of the heightened interest in it and the growing feeling among the concerned factories and producers of the need to adopt specific steps to implement it, I expect that we will achieve some fine results in this domain. Moreover, the entire subject has been put on the negotiating table via the GCC general secretariat's committee. There is no doubt that a concerted effort will produce some good results in the near future.

#### Import Financing To Be Offered to Islamic Bank Members

90AE0171A Kuwait AL-RA'Y AL-'AMM  
in Arabic 24 Jun 90 p 9

[Article: "Import Financing Program for Islamic Bank Members"]

[Text] The assistant chief of the International Investment Banking Department at the Kuwaiti Exchequer, Mubarak al-'Uthman, said that the import financing program for members of the Islamic Development Bank [IDB] so far approved 506 import financing operations for a total of 5,456.8 million Islamic dinars (\$6,414.9 million) benefitting 30 importing and 17 exporting member countries. He added that the list of commodities eligible for financing that have entered the actual trade exchange field included over 23 items, most notable of which are crude oil, intermediate manufactured goods, refined oil products, vegetable oil, cement, fertilizers, jute and cotton. He pointed out that the program is

aimed at heightening non-traditional commodity export activity among members of the Islamic Conference Organization by offering countries that take part in any of the member country programs the necessary export financing for periods ranging from 6 to 60 months, depending on the nature of the eligible commodity.

He also mentioned that 21 member countries have joined the program with a total subscription of 153 million Islamic dinars—\$200 million—in addition to the contribution of the IDB in the amount OF 150 million Islamic dinars (\$195 million). 'Uthman also said that the program so far has financed 58 operations for a total of 87.2 million Islamic dinars—about \$113 million—benefitting seven member countries: Saudi Arabia, Egypt, Jordan, Morocco, Malaysia, Tunis and Turkey, with Iraq and Algeria providing the biggest import markets.

Regarding the method used in these operations, 'Uthman said that it is the Islamic resale with specification of gain system whereby commodities are bought from the source in cash and sold to the importer on credit for a profit margin set for each operation separately. The IDB finances 80 percent of the value of deals of up to \$4 million and between 30 and 40 percent of anything over that. The part of financing not covered by the program is covered by a direct agreement between the exporter and importer. 'Uthman explained that consumer goods imports may be financed for a period of between 6 and 24 months, intermediate goods for up to 26 months and capital goods for up to 60 months. This is provided that goods intended for export are non-traditional or represent on the average less than 20 percent of the exporting country's total exports based on the foreign trade statistics for the three years preceding the year in which the export financing application is filed.

Goods intended for export must be of national origin whereby local or Islamic countries input is at least 40 percent of their final value.

He emphasized the need to provide an acceptable bank guarantee for prompt payments by importers, pointing out that the Arab Kuwaiti Investment Guarantee Institution's guarantee is accepted by the IDB.

'Uthman said in conclusion that export financing applications may be submitted through the program's national agency in the member country. The agency examines the applications and then refers them to the export financing program at the IDB. The national agency may be contacted by mail at its Kuwaiti address.

It is noted that the Ministry of Finance picked the Kuwaiti Exchequer for this role in accordance with a resolution issued 21 February 1988 by the cabinet in its capacity as a member of the portfolio of Islamic banks engaged in activities similar to that of the program in buy and sell transactions, business contracts, and export and import financing methods in accordance with the Islamic Shari'ah.

**Arab Leaders Focus on Islamic Threat**

*90AE0140A Tel Aviv MA'ARIV in Hebrew  
22 Jun 90 p 11b*

[Article by Shefi Gaba'i]

[Text] An Egyptian minister once told MA'ARIV that radical Islam is the only threat likely to threaten the present Arab regimes in the Middle East in the near future. He did not hesitate to say: "That is the reason that we are trying to oppress these radical Islamic undergrounds by force, because they do not hesitate to utilize the cruelist means in order to obtain rule."

Similar things were voiced by the ruler of Libya, Mu'ammar al-Qadhdhafi in secret talks held by the Arab leaders during the Baghdad summit, which recently took place. "We all must immediately establish a joint alliance to stand strong against the radical Islamic groups that are seeking to take over the entire Middle East. They multiply with lightening speed." Al-Qadhdhafi, who many in the Western world consider "insane", was very realistic this time. "We are likely to wake up one morning facing masses raising the slogan whereby 'Islam is the solution to all our economic and social woes', and demanding that we, the present rulers, get out of the arena."

Al-Qadhdhafi's apprehension is not abstract. The president of Algeria, Chedli Bendjedid, refused to come to the summit only because he feared the possibility of an Islamic insurrection. It is likely that he is paying the price of having allowed the establishment of parties in 1988, in the wake of the bloody riots created by the radical Islamic groups. Ben-Djedid claimed to those close to him that he does not fear this Islam and he estimated that the people were still faithful to their liberator: the ruling National Liberation Front party.

Ben-Djedid did not know that the Islamic groups, which are surprisingly organized, had begun widespread activity among the poor and hunger stricken people. The activity took place primarily in the mosques and on this basis, a party called The Islamic Salvation Front was formed. This party sought to prove its strength in past months by parades of hundreds of thousands of believers in the capital, Algiers. These parades served as red lights among those faithful to the ruling party. They tried to hold counter parades, but these did not draw masses, but mere thousands, mostly secular women bothered by the radical Muslims.

The municipal elections that took place in Algeria last week shocked not only the leaders of government, but also the heads of the other Arab states. The Islamic Salvation Front, which won an amazing majority, is now demanding that elections be held for parliament and even the presidency.

The leader of the Islamic groups in Algeria is Shaykh 'Abas Madani, who for many years acted from the underground toward the fall of the government. His way is no different than that of the Ayatollahs of Iran. He,

too, supports the implementation of the laws of the Koran in the state. At this stage, he does not want to threaten an insurrection even though he believes that the army is with him. In an interview following the election victory he said: "first I will pressure the president to recognize the fact of our existence, and I will demand of him that elections be held for parliament. Later, the two of us will contend for the presidency in democratic elections."

The neighboring rulers of Tunisia, Morocco, and Libya now believe that the Islamic octopus whose center is in Algeria, until recently considered the most secular state among the Arab Maghreb countries, has sent underground tentacles to their countries. Islamic underground activists in these three countries are openly inciting the population and disturbing the rest of the ruling party. Like in Algeria, they are exploiting the severe economic distress.

A "democratic experiment" similar to that of Algeria was experienced by Jordan, as well, in the elections that were held there for parliament. Prior to the elections, King Hussein believed that the radical Islamic parties had no chance of succeeding among the Jordanian public. The king was proved wrong. They even infiltrated the Bedouin tribes, his sworn loyalists. The Islamic parties received more than a third of the mandates in Parliament.

The Islamic undergrounds are shocking Egypt, as well. Their people took over towns in upper Egypt and are implementing Islamic religious laws there. They are terrorizing the security forces and there are often real battles between them. The security forces recently killed 14 radicals in one day. Hundreds are in jail. The regime's intelligence mechanisms are acting without relent, following the activity of the undergrounds in the army, the police, government offices, mosques, and Islamic charitable associations. Egypt implemented the rules of democracy, but the Muslim Brothers and the Jihad have remained outside of the law.

It appears that the president of Syria, Hafiz al-Asad, is the only Arab leader who is successfully oppressing the radicals with strength. Islam is trying to spread among the Sunni majority population, which constitutes 88 percent of all of the country's residents. In an uprising in the city of Hamat, al-Asad ordered to bury entire families within their houses, through the use of bulldozers that were sent to level the ground in the Islamic hornet's nest in the casbah (market). Above the leveled area, in which thousands of children, elderly, women, and youth are buried, the Ba'th regime has planted a public garden.

Radical Islam has recently intensified its strength among the Palestinians in the territories and the Arab countries. The Islamic movement Hamas [Islamic Resistance Movement] claims that it began the intifadah, and only afterward did Yasir 'Arafat hitch a ride along. Hamas sent a memorandum this month to the chairman of the Palestine National Council, in which it demanded that

democratic elections be held to the council, in order to prove to the PLO that the Palestinian people would grant a majority of the mandates to Hamas.

The "Islamic threat" is also penetrating into Israel. The heads of the Islamic movement, encouraged by the success in the Arab states, are also raising the slogan that "Islam is the solution". Recently, this leadership has not hidden its ambition of establishing a party that would contend for Arab voices in the elections for the Knesset. It believes that it would rake in approximately eight mandates. "They will have to build us a mosque in the Knesset", said its spokesmen.

#### Arabs Expected Losers in Bid for NATO Arms Surplus

90AA0232A London *AL-MAJALLAH*  
in Arabic 19 Jun 90 p 39

[Article by military editor: "NATO: Dummy Weapons to Countries in the Middle East"]

[Text] The United States has offered Egypt the purchase of 700 advanced M-60 tanks that are surplus to the needs of the American army in Europe following the agreement with the Soviet Union to reduce Warsaw Pact and NATO weapons and with the incipient international detente and the approaching end of the cold war. Among the American stipulations was that Egypt would forego the same number of Russian T-54 and T-55 tanks.

These tanks are not the only weapons that NATO will no longer need, nor will they be the most modern ones. There are short-range land-to-land missiles, rocket launchers, heavy field artillery, fighter and bomber aircraft, and helicopters. There are warning systems of various levels, guidance and control systems for various types of weapons used in the European operations theater, and many kinds of ammunition. A large part of all this equipment will gradually become unnecessary in step with plans for weapons and force reductions on the two sides. This reduction will range between 15 percent and 50 percent. Informed sources have indicated that the Soviet Union has begun to convert part of its military equipment into civilian equipment to be used in the agricultural and development sectors. For example, 10,000 tanks will leave military service. Some military factories will be converted into plants to produce food and exportable commodities in order to obtain hard currency and contribute to solving economic problems.

The quantities of ammunition and weapons available in Europe are no secret. Military and strategic experts can estimate the size of forces and the amount of weapons. Institutes for studies, specialized research centers, the press, the information media, and military exhibitions make this possible. Military magazines publish periodic comparative studies of all this in detail.

#### Dummy Weapons

But what are the dummy weapons that the West intends to sell to some of the countries of the Middle East? These concrete three-dimensional targets are among the most important means that are used to deceive the enemy in the theater of operations, so that he pours out his artillery fire, rockets, and bombs from his aircraft on unreal targets. They completely resemble weapons used on the battlefield—tanks, aircraft, artillery, ground-to-air missile launchers, etc. Since modern technology has gone beyond the stage of visual battlefield reconnaissance to using electronic technology in all its forms, it has become extremely necessary that these fake targets have exact specifications so that they cannot be distinguished from real targets. Among these specifications is the radar fingerprint. This is done by adding special magnetic material to the fiberglass material from which these representations are made. These pieces are sometimes provided with motors and wheels to attract thermally guided rockets. Sometimes they are so exactly made that the lights and glass pieces completely correspond to the real models.

It is very clear that misleading the enemy and wasting his ammunition on dummy targets such as these exhausts his strength on the one hand and reduces the amount of fire falling on real units on the other hand. It leads to reduced loss of life and of vehicles, thus helping combat forces maneuver at the appropriate time and achieve their prescribed goals. These light-weight dummy weapons are easily transported and assembled. Hundreds or thousands of them can be deployed relatively quickly on the battlefield with reasonable flexibility, serving the military commander's plan to deceive and mislead the enemy and fragment his efforts. Their cost is very low: a [dummy] tank costs 1/2000th, and an airplane, 1/2000th the cost of the original unit. This low cost serves the goal of training with live ammunition against these targets during maneuvers and under conditions very similar to those of real combat.

It should be mentioned that representations have been made of the M-60 Chieftain tank, with its M-107 mounted guns, F-4 and F-16 aircraft, and Hawk rocket launchers. In particular, it is certain that hundreds of [dummy] tanks and other units have been deployed by NATO forces, particularly in Germany.

#### Who Benefits?

It is accepted that the West will have a basis of priorities when shares of these weapons are distributed.

On the other hand, the media war that the West is now launching against Iraq and any Arab state capable of development and self-reliance is turning the process of arming the Israeli entity into sound logic from the West's point of view. By the same logic, Israel deserves these weapons. With its human and technical resources, it is capable of absorbing and using the weapons, and the results of these uses are well known to the West.

After Israel comes Iran. For a number of reasons, it is natural for Tehran to obtain a considerable portion of these weapons. These reasons include the frozen Iranian assets in the West from the days of the shah. These assets will never be given to Iran in hard currency and cash; however, part of them will be given in the form of weapons and surplus military equipment.

On the other hand, Russia's abandonment of the policy of international polarization and of control and hegemony over the countries of Eastern Europe and many other countries in the Third World confronts Iran with a single option—the necessity of dealing with the West, which will guarantee Iran needed weapons in exchange for old monetary assets.

The third beneficiary in this respect will be Turkey. As a NATO country, it may obtain part of the the pact's surplus weapons. Furthermore, it is directly contiguous to the Soviet Union's southern border. The West wants to impose a cordon around the Arab states located between Iran and Israel. Certain evidence clearly indicates that the West is preparing the conditions for drawing the map of the 21st century.

That some countries should obtain modern weapons is not strange, for this is the policy of all countries in the world. However, what is interesting is that these weapons in this region and at this particular time form a threat only to Arab security. The old pretext is gone—that Israel and Iran are being armed in order to block communist expansion and Soviet influence in the Middle East and to prevent the Red Army from setting its icy feet in warm waters and threatening the sources of oil there. Is anyone now convinced by this pretext?

The arming of Iran and Israel involves efforts to besiege the Arab homeland, thwart the first signs of prosperity in all its forms, and plan for the establishment of a grouping of strategic importance against the Arabs.

#### **Arab-Israeli War Scenario Outlined**

*90AA0195A London AL-DUSTUR in Arabic  
11 Jun 90 pp 21-22*

[Interview with General Muhammad Fawzi by Tal'at Isma'il in Cairo; date not specified; first paragraph is AL-DUSTUR introduction]

[Excerpts] General Muhammad Fawzi is a name that needs no introduction, for he is one of the prominent and properly acclaimed Arab military men. After the June 1967 disaster the man was able to rebuild the Egyptian armed forces on commission from President Jamal 'Abd-al-Nasir, and his most famous nickname became "engineer of the war of attrition." Despite his age of over 70 years, Gen. Fawzi is still able to give constantly and attentively to everything that concerns his Arab nation in the way of issues and concerns with a solidity that young men envy. AL-DUSTUR met Gen. Fawzi in his home in Cairo just as he was returning from Baghdad, where he participated in the Arab People's

Conference, which met to support Iraq against the mad Western attacks to which it has been subjected lately.  
[passage omitted]

#### **'Israel's' Aggression**

[Isma'il] In light of Iraq's having binary chemical weapons, what do you believe will be the most likely scenario for the use of such weapons in the event of any aggression by "Israel" against Iraq?

[Fawzi] Suppose that "Israel" dared and risked an air strike such as the one that it made on the Iraqi nuclear reactor in 1981. I expect the second strike, in accordance with Iraqi logic and readiness, to be made with several rockets carrying binary chemical warheads, which are scattered throughout Iraq. From here would come the greatest calamity on "Israel" with the readiness of these binary chemical rockets: the destruction and burning of half of "Israel." I expect hostilities to get to this point as long as the destruction reaches this level in "Israel."

[Isma'il] With the anniversary of June 5, do you not see a similarity between the campaign against Iraq and the campaign that was directed against Egypt in 1967, which was used to justify the aggression against it?

[Fawzi] First I would like to ask you: Do you have any idea of the fact, which the [western] world is trying to remove from historical concepts in Western books, namely that "Israel" and the United States are the source of the June 1967 aggression against Egypt. I have discovered through deep studies of all the world trends (Western, Eastern, Israeli), that the West was spreading propaganda that 'Abd-al-Nasir had prepared Egypt, the stage, and the circumstances to escalate the military situation to the point at which "Israel" was faced with a fait accompli for entry into a war with Egypt, based on the [following] evidence:

- 'Abd-al-Nasir had mobilized the Egyptian armed forces in the Sinai.
- The closing off of the Gulf of Aqaba.
- The removal of the international emergency force.

I say, based on the fact that I mentioned previously, that the Israeli aggression, arranged and planned by the United States, would have happened on June 5 without the closing off of the gulf or the removal of the international emergency force by Jamal 'Abd-al-Nasir.

This is due to overt hostility by western states against 'Abd-al-Nasir's policies, which began when he refused to proceed under the cloak of western strategy which had been set forth by Dulles since 1953. That hostility remained overt until 'Abd-al-Nasir's death in 1970.

[Isma'il] Then the aggression was arranged by western imperialism and Israel?

[Fawzi] That is correct. This aggression aimed to achieve western and Israeli goals based on [a desire to] change the map of the Middle East. The West found that achieving its goals could not be done except by getting

rid of: the person of 'Abd-al-Nasir, the policy of 'Abd-al-Nasir, and the Egyptian revolution.

Those were the goals of the 1967 aggression. On June 5, "Israel" was able, with direct assistance from the United States of America, to take land and destroy arms, but it failed to achieve the "American-Israeli" goal, for neither was 'Abd-al-Nasir shaken, nor did his policy change, nor was the revolution lost.

Note: Gen. Fawzi reflected at this point and directed the following question to Isma'il's correspondent: Why was this (American-Israeli) goal achieved after the October 1973 victory?

[Isma'il] In recent weeks, following the mad campaign against Iraq, it made a call for the removal of chemical weapons from the Middle East region. What is your opinion on such a call?

[Fawzi] I believe that the issue is in its [appropriate] time and place. But in my opinion the matter is no more than an attempt to complicate and confuse the issue, and to get one up on the policy of the United States, which has supported Israel throughout. It is collective confusion by the states of the region (most of which are Arab states) against "Israel" due to its stubbornness in not admitting that it has nuclear weapons.

As for the outcome of this call, in my opinion, it will not go beyond this (denunciation and complication), since both the United States of America and the Soviet Union have consented to this state (nuclear weapons in Israel) since it began. Therefore it is inevitable, especially at the present time when the Soviet Union is trying to improve its relations with "Israel," that this call will continue to be a media tactic against another tactic used against us.

[Isma'il] But is the role of the Arabs limited to such a media campaign, while "Israel" continues to have its nuclear shield?

[Fawzi] I believe that the Arabs have to continue to obtain nuclear, chemical, biological, and nerve components, the components of weapons of total destruction, so that the Arabs collectively (all the Arabs, because of the high cost) can have what "Israel" has. Only in this way will a balance be achieved, practically, and not by way of the United Nations.

#### Arab Press Readers Surveyed

90AE0161A London AL-MAJALLAH  
in Arabic 3 Jul 90 p 67

[Article: "We Do Not Believe Them, for They Exaggerate"]

[Text] Journalism today plays a big part in the life of ordinary person, for it has opened the outside world to him and through it he can know about events going on around him, changes that are taking place, and the latest news.

The relationship of the individual to the world of journalism differs from one person to another and from one society to another, for in the societies in which illiteracy still prevails, there is less concern with journalism, especially that of it which is read at a time when the journalism that is seen and heard is dealt with as a fait accompli.

Therefore the journalist remains, in the minds of many of his public, that unknown soldier, and he is, in the opinion of the overwhelming majority, the television announcer who presents the news on the small screen or merely the voice sound emitted by the television set. As for the journalist who works in the field of written journalism, he is virtually forgotten except by the few who follow with acumen what the press writes.

Starting with these given facts, the readers' opinion of journalists is a difficult matter to fathom and to know the intricacies of. Through a poll which we took of a random sample of 75 readers from Saudi Arabia, Egypt, and Morocco who diligently buy newspapers, some of these facts were confirmed to us:

Regarding the first question about the readers' belief in what journalists write, 39 percent answered yes while 61 percent replied in the negative. Sixty-four percent thought of journalists as a source of information for them, while 36 percent denied that journalists are a source of information for them.

- 1) Do you believe what the journalists write? Yes, 39 percent. No, 61 percent.
- 2) Do you consider them sources of information? Yes, 64 percent. No, 36 percent.
- 3) The Arab journalist is known for which of these attributes? Exaggerating when writing, 57 percent. Shutting his eyes to mistakes, 29 percent. Being daring in obtaining information, 10 percent. Attempting to succeed despite his weak capabilities, 4 percent.
- 4) What attracts you to the article that a journalist writes? Verbosity in the article, 21 percent. Good pictures, 48 percent. Other than that (please explain), 31 percent.
- 5) Which do you prefer to read?

Arab Press	Foreign Press	Both
57%	43%	3%

Fifty-seven percent of those whom the poll covered characterized the Arab journalist as exaggerating when writing, 29 percent said that the Arab journalist closes his eyes to his mistakes, and 10 percent felt that the Arab journalist is not daring in obtaining information. Four percent of the responding readers thought that the Arab journalist expends all his efforts to succeed despite his weak capabilities.

Twenty-one percent of the responding readers considered that verbosity in written articles was what attracted them to what the journalist writes. Only 48 percent

considered good pictures as an incentive for them to read the article, and 31 percent thought that other reasons such as total frankness, research of the facts, freedom of expression, objectivity, and in-depth analysis, are what prompt them to follow what the journalist writes. Fifty-seven percent mentioned that they prefer Arab journalists while 43 percent prefer what the foreign journalist writes.

#### **From the Poll**

Moroccan readers prefer lengthy press articles, according to the responses of 61 percent of those polled there. In Egypt and Saudi Arabia, the pictures attracted them a great deal when reading any article.

Readers in Egypt and Morocco [sic] prefer to read Arab writers (55 percent), while Moroccans prefer what foreign journalists write (68 percent).

A big percentage (64 percent) of those polled considered Arab journalists a source of information despite the fact that they felt that Arab journalists exaggerate and close their eyes to errors.

#### **Editorial Questions Potential for Arab Democracy**

*90AA0251A London AL-DUSTUR  
in Arabic 23 Jul 90 pp 18-19*

[Article by Staff Colonel Mujahid Sam'an: "Can Western Democracy Be Applied in Arab Societies?"]

[Text] Democracy is a compound Greek word meaning rule of the people. It is historically known that ever since the Roman Age in the second century B.C., the ideological principles of European societies have been founded on ancient Greek philosophy and its political, societal, and economic applications with continuous interpretations and developments introduced by the (Eastern based) Christian philosophy, up to the French Revolution, and on the political influence of idealist German philosophers at the end of the eighteenth century and the beginning of the nineteenth century. Despite the difference in application and political order among Western national societies, and notwithstanding the emergence of the individual communist anarchist ideologies in their dogmas, of their rejection of democratic society institutions, including parties, unions and the state (meaning rule) and of their call for partisanship and absolute individualism toward the end of the first half and the beginning of the second half of the nineteenth century with William Goldwyn (1793) and his book "Search for Political Justice" up to the Russians Bakunin (1814-1876) and Kropotkin (1842-1921) who called upon assassinations and terrorism, pluralistic democracy as a political philosophy remains the prevailing order in Western societies until now.

#### **Civilization Traits of Arab Societies**

Despite the fact that these societies have mingled through conquest, wars and trade with European, Asian

and African peoples notwithstanding the climatic and geographic diversity of the great Arab nation, the civilizational decline, the absence of ideological and religious interpretation and the dominance of mosques and monasteries over civilian societies, thus causing science, arts and development to retract during more than eight centuries when the Mamluks and then the Ottomans ruled the Arab peoples—the desert origin of Arab societies that settled all over the nation thousands of years ago has given the Arabs, as human beings, special civilizational traits different from those that distinguished the European peoples who lived a nomadic life (like the Arabs) but in the cold northern forests that had plenty of food, water, vegetation, and other blessings. For the Arabs still hold the desert legacy of sanctifying freedom, abiding by tribal law, and relying on family responsibility and unity. These three pillars in human interaction, as a guarantee against the desert's hardship, meagerness, and tough life, have instilled in the Arab psyche the principle of choice and the sharing in making family and tribal decisions about residency, migration, war and peace, leadership and legislation of mores and habits, making it an inherited divine right.

Islam, as a civilization and as an economic political school, takes the most credit for heightening and codifying these characteristics and for importing the philosophical, political, economic, and societal experience, as is, from European communities and trying to apply it, with its pluralistic democracy, its market economy, and social liberalism, to Arab society. But for all its merits, it will not succeed and will only produce anarchy, expatriation, and alienation, as was the case in Egypt during the rule of Muhammad 'Ali Pasha and his descendants from the nineteenth century to the middle of the twentieth century, in Lebanon Minor (Mount Lebanon) in the age of the emirate of the "Mutasarrifiyah" or in Greater Lebanon in the age of independence and the Arab League, and up to the present.

#### **Do Arab Political Societies Need Pluralistic Democracy?**

The Arab nation's fragmentation and division into countries and mostly positive mini-states, ever since the fall of the Ottoman Empire in the second decade of this century, which was replaced by the military, economic, and cultural reign of Western colonialism, has in its aftermath created anarchy, turmoil, revolutions, coups, regional conflicts, and Israel. Things will not get better and stability will not return to this great nation unless pluralistic democracy becomes widespread, after being Arabized through authentication and modification, by making use of the European peoples' experiences and by searching for the Arab self in the Islamic civilizational ideology. This in itself requires a long period of transition.

Pluralistic democracy in this sense requires special arrangements and the preparation of an ideological background, philosophically and practically. To this end, general freedoms must be released. Emergency laws must

be repealed. Security agency excesses must be outlawed regardless of reasons and motives. Pursuit, arrest and indictment must be left to an immune judiciary separate from the executive power. Freedom of travel, movement, residency, and work must be given to all people. Personal initiative must be encouraged. Freedom of production, innovation, and work within the private sector must be granted while maintaining public sector control over natural resources, public services, and defense industries. A public or joint sector must be established to prevent monopoly and speculation within a market economy and the law of supply and demand as an economic safety valve to curb innate greed and avidity in the public sector and consequently to protect economic freedom and freedom of ownership and production.

#### Political Pluralism and the Mass Media.

Among the most important factors in the failure of Western democracy hitherto to achieve true freedom ideologically, economically, and politically within society, and consequently to prevent the monopolies from influencing the economic and political decisions of the democratic state establishment, are the press, the various mass media, and the public opinion and census makers, given their tremendous capabilities, acquired through modern communication technology, to influence and indeed shape public opinion and change it quantitatively and qualitatively.

Therefore, and as a basic condition for achieving a pluralistic democratic society, this media beast must be bridled and must not be allowed to be exploited by the state or the economically powerful minority to transform a free society into an empty slate in which secret organizations control the decision-making process. To achieve this substantive goal, the media and the advertising and census agencies must be separated from the market economy and from the law of profit and loss, turning the right of their ownership, management and guidance to professional unions, political parties, charitable organizations and religions establishments in addition to the state, as a legitimate establishment representing all segments of society and not as a government and an order of rule (official mass media independence from the executive power and immunizing them like the judiciary).

Then there is the second issue which is no less important than the first. For political and ideological competition have been and will be the essence of development and the guarantee for public control over the state, the rule and the decision-making process. Political pluralism means the freedom to establish parties, movements, societies, and unions within the cultural and historical concept of the Arab nation. In our effort to ensure the continuity of Arab-style pluralistic democracy, which is the only guarantee for individual freedoms and the Arab people's right to actively participate in the political and economic decision-making process, we cannot, for

example, allow parties that profess atheism; the destruction of the family institution; sexual permissiveness; autocratic, party, class, or sectarian dictatorship; non-Arab nationalisms; autocratic or class internationalism; or any kind of organization that can obstruct the Arab nation's march towards unity and social and economic liberation.

But all these frameworks outlining the nature of the work of the mass media and political and ideological organizations do not in any way deny individuals, as persons, the freedom to think, write and express themselves, even if such freedom was in violation of the Arab nation's mores and inherited cultural traditions. For there is a big difference between the danger of organizing an anti-Arab cultural ideology within Arab societies and between the individual's freedom to espouse this or other ideologies without mass organization. Otherwise, this restriction would turn into a scourge in the hand of the state to use to strike at the opposition, to restrict individual freedoms, and to prevent scientific, artistic and ideological creativity from pursuing its cultural offerings. This is a highly sensitive matter that ought to be guaranteed by Arab constitutions and protected by the courts.

By this intensive analysis of the concept of pluralistic democracy, freedom and human rights, we ought to separate the lean from the fat and the good from the bad, following the propagation of calls for worldwide change and the fall of both the totalitarian and the autocratic rightist and leftist dictatorships. This is in the wake of Russian glasnost and perestroika and the ensuring of the collapse of communist strongholds in Europe and in the wake of Western media claims that the Western concept of market economy (in the monopolistic capitalist sense), as an ideological, economic, political school, has triumphed and ought to be applied to the Arabs and non-Arabs. These claims overlook the tragedies, the social injustice, the corruption and crime, the destructive regional wars, hunger, and squandering of food production as an inevitable consequence of the domination of secret governments (large monopolies) over the Western democratic systems under the motto of freedom and human rights that this school has caused and is causing to Western societies in general and to underdeveloped societies in Asia, Africa and Latin America in particular. Conversely, we felt we should remind the political opposition forces not to fall into the trap of the Western media, rendering change in our great Arab nation a false cosmetic transformation that replaces one class of rulers with another, perhaps vicious and corrupt, that will turn the clock back instead of jumping over the barriers in order to develop Arab societies and to release their genius by understanding the essence of freedom and pluralistic democracy from an historical Arab cultural perspective that takes into consideration the experience of the West to avoid its faults, missteps and weaknesses.

What is more important at this point is to liberate the Arab human being from the fear of detention, torture, and moral and material persecution as a punishment for

his opinions or even his anti-government thinking. The important thing now is gain the release of political detainees from Arab prisons, to see that the judiciary is assuming its full role, to liberate the mass media, and to safeguard people from indiscriminate pursuit at the whim of security agencies in the name of emergency law at times and of religion at other times.

### PALESTINIAN AFFAIRS

#### Al-Qaddumi Reviews Relations With U.S., Syria, Jordan

*90AE0187A London AL-HAWADITH  
in Arabic 20 Jul 90 pp 24, 25*

[Interview with Faruq al-Qaddumi in Tunis by Mazin al-Saghir; Article: "Al-Qaddumi: U.S. Policy Has Become Flawed. What Is Needed Now Is To Abolish Veto Rights!"]

[Text] In an atmosphere of rapid and successive developments of both international and regional significance for the Palestinian cause, AL-HAWADITH conducted the following interview with foreign affairs official Faruq al-Qaddumi (Abu-al-Lutf):

[Al-Saghir] In view of Shamir's Likud government in Israel and the rise to power of hawks like Sharon and Levy, how do you see the future of the region and the prospects for peace?

[Al-Qaddumi] The configuration of the latest Israeli government indicates that Israeli persists in its extremist, rightist course, meaning that it will continue to hold onto occupied Arab and Palestinian lands and will not withdraw, that it will maintain its belligerent expansionist policy, and that it will continue to bring in tens of thousands of immigrants until the West Bank, the Gaza Strip, and the Golan Heights are absorbed. That is bound to increase tension in the region and could even lead to a new war. Israeli inflexibility leaves the world no option but to accede to Israeli expansionist designs which we, as Arabs and Palestinians, can not condone. We shall defend our rights with all the means available to us.

[Al-Saghir] The question here is how you view the immediate future and how the factors you just mentioned affect the PLO's peace strategies.

[Al-Qaddumi] The Palestinian revolution is maintaining its struggle and shall not be sidetracked. It put forth a Palestinian peace initiative that was sanctioned by the overwhelming majority of the world community with the exception of the United States and Israel. We are pursuing our strategy and daily struggle and will not be sidetracked by an occasional development. Should war break out with Israel, the Palestinian people and the Arab nation are called upon to stand united against any potential Israeli aggression. This time the war will not be a short blitzkrieg as the Israelis envision but will be

prolonged and will have a detrimental impact on the whole region. Should Israel have hostile intentions, which is without a doubt, the Arabs are called upon to develop their strengths and available resources in order to repel Israeli aggression.

We seek peace, but unconditional peace. Peace as sanctioned by the United Nations and as put forth in the Palestinian initiative. Anything else simply means surrender. We will resist with all our might the enemies of our cause, who will never acknowledge and recognize Palestinian rights unless war breaks out. The United States, unfortunately, stalls and procrastinates and will not pressure Israel to stay behind its borders, to accept the international initiative, or to accept an international conference lest the Palestinians enjoy their national right to self-determination and sovereignty in an independent Palestine.

[Al-Saghir] Jordan has been calling for a summit of the confrontation states in order to discuss recent developments in the region. Is the PLO in favor of that?

[Al-Qaddumi] We support joint Arab action especially when directed against Israeli challenges and threats. Jordan has a considerable front [border] with the enemy and supports the Palestinian intifadah, which is directly impacted by all Jordanian developments. We are cognizant that Jordan's integrity and stability are necessary for the safety and continuance of the intifadah.

[Al-Saghir] Several resolutions and recommendations were adopted by the latest Arab summit. Will they lead to tangible results in the immediate future?

[Al-Qaddumi] The arab council of ministers of economy and of foreign affairs is supposed to convene to discuss the risks and consequences of Soviet Jewish immigration to Israel and the impact of economic blocs on Arab economies. This council is supposed to convene within two months of the summit. I believe it is likely to be held sometime this month.

[Al-Saghir] Would you comment on the U.S. suspension of its dialogue with you and how this might impact the peace process?

[Al-Qaddumi] The Palestinian-American dialogue was sporadic and fruitless. The U.S. was spinning its wheels where dialogue was concerned. It did not propel the dialogue towards such essential issues as that of a political settlement. The Americans always dodged the issue of an international conference. We were intent on maintaining the dialogue, nevertheless. We hold that it was the U.S. that abandoned the dialogue in view of the harsh conditions it imposed on us. The Palestinian people should be subjected to no conditions, especially in relation to the dialogue with the U.S.

As I said before, we recognize that the United States as a major power, along with other major powers, is largely responsible for maintaining world peace and security. It is supposed to discharge its international responsibilities

and not shirk them as it did when it invaded Panama, threatened Libya and Iraq, and suspended the dialogue with the principal party to the Arab-Israeli conflict. All this would indicate that U.S. policy is flawed.

Small countries and people have a right to be protected and to demand sovereignty and independence. This is natural. As a major power, the United States must help preserve world peace and security and must deter this continual Israeli buffoonery. Unfortunately, it does not. The American administration is unable to develop relations with the PLO because of Zionist pressure on the U.S. administration and legislative bodies. The U.S. is supposed to acknowledge the right of Palestinians to self-determination and is supposed to recognize the PLO as the legitimate and sole representative of that people. And yet, it remains the only country that evades acknowledging those facts. We are therefore aware, especially after dialogue was suspended, that the peace process is losing ground to violence and war.

Responsibility for that, as I mentioned, rests with the United States and Israel. The PLO statement in the aftermath of the Abu-al-'Abbas operation makes it clear that we had nothing to do with it. We said that in official PLO statements and at a press conference by brother Abu-'Ammar.

[Al-Saghir] Before the dialogue was suspended, observers noted inconsistencies between the official PLO position in support of the dialogue with the U.S. and the call by intifadah leaders to end it. How do you explain that?

[Al-Qaddumi] There is no doubt that the PLO and its leaders are fully aware of the Palestine question's need for world support. Democracy, a basic precept of our relations, allows for differences of opinion on this and other issues but, when all is said and done, the decision rests with the PLO leadership. Such matters are taken up in discussions with intifadah leaders on the inside. It has been our view that there is no rush because it is the United States and not us that continues to be a dilemma.

[Al-Saghir] What action did the Arab bloc take in the aftermath of the American veto of a fact-finding commission to the occupied territories?

[Al-Qaddumi] When America uses the veto to prevent a resolution by the Security Council, it becomes imperative to turn to the General Assembly in a way that makes its recommendations or resolutions as binding as those of the Security Council. An example is Resolution 377 on the Korean war, adopted in 1950 after the U.S. concocted it then utilized it in the name of unity for peace. Such a decision, when adopted by the Assembly, would be binding on all members of the Council and the Assembly. We are pursuing that course because the Council seems to have become the domain of the United States thanks to its constant use of the veto. In view of world developments and easing international tensions, we propose that members of the Security Council or the United Nations abrogate veto rights in order that all may have the right to resort to the Security Council or the

General Assembly without obstacles to the implementation of Security Council decisions which will be rejected by Israel in any event [as published]

[Al-Saghir] In view of the heated situation in the region, how compelling is the formation of an eastern front?

[Al-Qaddumi] Necessity is the mother of invention. It is a foregone conclusion when an eastern front becomes imperative, the Arabs will create it for their own self-defense.

[Al-Saghir] Please comment on your relations with one of the principals of such a front, i.e. Syria, which was absent from the Baghdad summit.

[Al-Qaddumi] We had hoped that Syria would attend the Arab summit because it is a major party to the Arab-Israeli conflict. Efforts are now under way to clear the Arab air in order to bolster Arab solidarity and joint action and to stand tall and united against the challenges we face as an Arab nation.

[Al-Saghir] Abu-Jyad told AL-HAWADITH that Syria would have attended had there been a sincere Arab effort in that direction. What do you say?

[Al-Qaddumi] No comment.

[Al-Saghir] Does it worry you that more repression and violence against the intifadah has been promised by the Israeli government?

[Al-Qaddumi] It has been more than 30 months since Israel said it would crush the intifadah. I believe this fact realistically puts all Israeli claims to rest.

[Al-Saghir] Is intensified intifadah activity a possibility in conjunction with resumed armed struggle on the outside?

[Al-Qaddumi] It is inaccurate to refer to the resumption of armed struggle since it has never been abandoned by the PLO. It was for other reasons that we asked the intifadah and our brethren on the inside not to resort to weapons. As for the armed struggle, our freedom fighters shall hold onto their weapons until liberation day.

[Al-Saghir] How about the influx of Soviet Jews? Any progress towards halting or diminishing their immigration?

[Al-Qaddumi] We have contacted all parties concerned with Jewish immigration, especially in the Soviet Union. President Gorbachev sent a message to the Arab summit explaining the Soviet stand on this issue. We are making efforts to contain this immigration. Our objective is to bring a complete halt to it because it is a transfer not an immigration. It is a new invasion and a continuation of the Zionist incursion that began in the last century. This does not fall under [the category] of human rights which do not apply to the Jews [in this sense] but to the Palestinians whose rights are under assault. Instead of bringing Jews from the Soviet Union..instead of

importing strangers to Palestine...there are a million Palestinian refugees who should be returned to their land, their country, and their homes before they are occupied by strangers from other countries.

[Al-Saghir] Some would say that the Soviet Union is trying to buy time by calming the Arabs with words and moral support, while rapidly removing restrictions on the immigration of its Jews to Israel. Shouldn't the PLO take a harsher stand towards the Soviet Union?

[Al-Qaddumi] Why create tension with the Soviet Union? What good will that do? No, I would not advocate such a stance. The Soviet Union is a friend but this does not at all mean that we should concede to it on continued Jewish immigration. We will maintain our dialogue with the Soviet Union for as long as it remains a friend. I believe we are making progress and we shall continue our dialogue especially since the Soviet Union has been convinced that Israel will never commit to not establishing settlements for Soviet Jews in the occupied territories. We will therefore maintain a dialogue with the Soviet Union in order to safeguard our friendship and in order that it may take action to avoid this catastrophe in the Middle East that threatens world peace and security.

## ALGERIA

### Fundamentalists Reportedly Trying To Infiltrate France

90AA0235A Paris *LE FIGARO*  
in French 28 Jun 90 p 44

[Article by Thierry Oberle: "How the 'Beards' Are Trying To Infiltrate the Algerians in France"; first paragraph is *LE FIGARO* introduction]

[Text] As yet, these very special "Muslims" number only about 50, but they already have plans to infiltrate all of France. Their problem? The Kabyles are hostile to them.

"When I was a child, I used to say, 'If you bother me, I am telling my father.' Now I can say, 'If you bother me, I am warning the FIS [Islamic Salvation Front]."

Daniel Youssouf Leclercq beamed. A French convert to Islam, this devotee of an intransigent religion is the spokesman for the National Federation of Muslims of France (FNMF), a movement that represents about 40 percent Muslim association membership. In his opinion, the shockwave from the recent election victory of the Islamic Salvation Front in Algeria should not be long in reaching France.

For the time being, however, the Front's potential ascension has not had an impact on Algerian immigrants. The community, which numbers 800,000, has been established in France for several dozen years. While the immense majority observe Ramadan, the community as a whole remains largely indifferent to the fiery sermons of the preachers.

One explanation among many is that most of these Algerians are Kabyles who, by cultural tradition, have little appreciation for intolerant behavior.

### Underground Strategy

FIS party members are part of a fundamentalist movement estimated at 1,000; there are barely 50 Algerians. Nicknamed the "beards" by young housing project Algerians, they can be found in eastern Paris in the Menilmontant neighborhood, where they frequent the Islamic bookstores and the mosques controlled by the Pakistani Tabligh brotherhood, a fundamentalist sect.

In the suburbs, the activists are regulars at the La Courneuve mosque and have submerged themselves in the Muslim communities of the Lyons, Strasbourg, and Marseille regions.

The Islamic Association of France, which organized the demonstration last fall in favor of allowing head coverings in school, counts a few of these fundamentalists among its members.

In a milieu of subgroups based on country of origin, Algerian Islamists are peculiar in that they do not control any specific movement. They do not have a magazine; they have not disseminated their political agenda; and they do not have any Islamic associations. In this respect, they are following the orders of the FIS, which has asked its faithful not to make themselves known officially in France.

The Front, which is in the midst of a period of euphoria, plans to change its underground strategy. There is talk in Parisian Islamist circles of the possibility of an FIS outpost being set up in Paris in the near future. Such an event would signal the gradual infiltration of the community.

The party members, who have remained very much on the fringes until now, are planning to establish systems to provide aid and social support to immigrants through their presence in disadvantaged neighborhoods.

The fundamentalists no longer fear discreet surveillance on behalf of the Algerian Government by representatives of the Paris mosque and the Association of Algerians in Europe.

The Association, whose ties to the FLN [National Liberation Front] have undermined its credibility, is losing momentum. As for the Paris mosque, its control is of tremendous importance, since it appoints 100 imams whose wages are paid by the Ministry of Religious Affairs in Algiers.

"The imams know which way the wind is blowing. They are going to discreetly shift allegiance," according to an Islamic official, who predicted that the Islamists would take control of the Paris mosque if they took over in Algiers.

### Persons Close to the Hezbollah

This scenario worries French authorities, because it could happen at a time when the structures underlying the Muslim community are fragile. According to the interior minister, the "Muslim consistory" project being prepared might act as a sort of security net. It will include representative figures of the community.

Meanwhile, the Islamists are making plans. Daniel Yousouf Leclercq has contacted the FIS. He is expected in Algiers in early August. This summer Algeria will be a rallying point for Islamic fundamentalists living in France.

"The future establishment of an Islamic state in Algeria is an extraordinary chance for us. We want the FIS to bring pressure to impose our demands," Daniel Yousouf Leclercq said. On his movement's agenda are the construction of a sufficient number of mosques and the establishment of Koranic schools that benefit from some form of direct or indirect contract of association with the French state.

Another very disquieting prospect is the possibility of a military coup in Algiers that would block the ascension of the FIS. This would cause a resurgence of terrorist attacks in France. The FIS has an armed wing and could attack Algerian diplomats. Within the fundamentalist sphere in Paris, some Algerian Islamists are in contact with persons close to the Hezbollah.

### Madani Interviewed on Election Results

90AA0124A Paris AL-YAWM AL-SABI'  
in Arabic 25 Jun 90 p 15

[Interview with 'Abbasi Madani, date and place not specified. First two paragraphs AL-YAWM AL-SABI' introduction]

[Text] The Islamic Salvation Front surprised all circles when it won a majority in the municipal and governorate elections in Algeria. It sees that as a prelude to setting up an Islamic republic. That has caused the cards to be reshuffled, and created the potential for a new political map. The leader of the front, 'Abbasi Madani, spoke to AL-YAWM AL-SABI' about all these issues.

AL-YAWM AL-SABI' interviewed the leader of the Islamic Salvation Front, Shaykh 'Abbasi Madani, on all these issues. Herein is the text of the interview.

[AL-YAWM AL-SABI'] You have won a great victory in the municipal and governorate elections. How would you assess this victory?

[Madani] The winners in the elections were the Algerian people, not to mention the front, which got the greatest share. The elections had credibility and legitimacy, which was another victory, since the results were announced, in spite of some exceptions, by the Interior Ministry. Moreover, the regime had promised that the elections would be free, and they were, and that was a

second victory. What is important is that elections in the country will continue to be held, according to this pattern of freedom, and that is a very great gain, because it is the start of the solution of the political crisis. Besides that, in regard to what the Islamic Salvation Front achieved in the way of an absolute majority in most of the governorates and municipalities, this is an issue that brings about the "Islamic solution." It is the solution which the people have chosen, and this also indicates the level of awareness which the Algerian people enjoy, not only limited political awareness, but also awareness of their mission and their civilization.

[AL-YAWM AL-SABI'] How will you endeavor to interpret this victory?

[Madani] I have given an explanation of that, and I don't need to interpret my explanation. The question of a parliamentary solution has become an urgent necessity, otherwise the reforms would have no meaning or sense. What is the sense of traveling and stopping in the middle of the road, to remain like a woman left dangling, neither married nor divorced?

[AL-YAWM AL-SABI'] In light of your predominance over the National Liberation Front Party, how do you view this party's legitimacy today?

[Madani] The National Liberation Front [FLN] Party does not need legitimacy, rather it achieves legitimacy. I am not in the position to give it legitimacy, or to retract legitimacy from it. Even though the branches separate us from the FLN, we are brought together by the roots, the roots of history, for we are two trees with the same roots. Back at the origin, we are one thing whose legitimacy is here. But after the FLN abandoned its principles, and after its men left it such that it came to belong to the opportunists and those who work for their personal interests, that's where they have deviated from us. However, they might find someone who will correct this deviation and return them to their original state, at which point they can meet with us. But if that doesn't happen, let them go away. There is a question mark on this matter, and I am not qualified to make this decision for the FLN.

[AL-YAWM AL-SABI'] A while ago the former president, Ahmad Ben Bella, suggested that a "committee of the wise" be formed to steer things in the direction of holding free parliamentary elections. Is this call still standing, and how do you view it?

[Madani] The arbitrator is the people, not the wise. The wise are philosophers with no power or influence, so things reverted to the people and not to personalities no matter how prominent. President Ben Bella we revere, appreciate, and respect, but he is still a wise man in an ivory tower, and even if he had the means, I believe that wisdom requires that we return to the people and that we turn things over to them, for we are not in the age of mandates.

[AL-YAWM AL-SABI'] What do you think of applying Islamic law today?

[Madani] Application of Islamic law is the harvest, and we will not reap before we sow.

[AL-YAWM AL-SABI'] What is your program for solving the economic and unemployment crisis?

[Madani] If the political problem is solved, the economic problem will be solved.

[AL-YAWM AL-SABI'] Do you believe that the army should again intervene in political life?

[Madani] The army is our army, and it is an army of principle not of profit. It was chosen for our welfare, so how could it try to rise up against us? It has become a factor for stability and security, God willing.

[AL-YAWM AL-SABI'] How do you view relations with Iran?

[Madani] We have no foreign relations because we want to work in our country. We still have not emerged from our shell, and before we build our country and lay the foundation for stability, we are not qualified to pass judgment on others. "It is shameful to prohibit someone from doing something and to then turn around and do it yourself, even if it is something great."

[AL-YAWM AL-SABI'] Are you holding a dialogue with President Chadli Bendjedid, especially since you appear to be willing to form a coalition government under his presidency?

[Madani] A dialogue was opened a while ago, and I have not brought up the question of forming a government.

[AL-YAWM AL-SABI'] How do you view the Arab situation nowadays?

[Madani] We still have not turned our attention to it yet.

#### French Ambassador on Political Developments, Relations

*90AA0236A Algiers ALGERIE ACTUALITE  
in French 6 Jun 90 p 6*

[Interview with Jean Audibert, French Ambassador to Algeria, by Mohamed Balhi: "Did You Say 'Hizb Fransa'?" date and place not given; first paragraph is ALGERIE ACTUALITE introduction]

[Text] There is talk here and there—not all of it good—about fundamentalism, manager flight, "hizb fransa," the speaking of French, and so forth in connection with the immediate situation. What element of truth is there in all this rumor, gossip, and disinformation? Mohamed Balhi met with the French ambassador to Algeria. Here are his clarifications.

[Balhi] One of the latest issues of CANARD ENCHAINE reported that, on the subject of the fundamentalist threat, the French ambassador to Algiers thought Chadli might still hold his own. Obviously, the article in the satiric weekly was written before the democrats and the FLN [National Liberation Front] took to the streets. Why is France so concerned about the fundamentalists?

[Audibert] If you do not mind, I prefer not to pass judgment on what you have described to me in a very approximate fashion of the allegations in the French weekly you mention.

Is there indeed concern France vis-a-vis the fundamentalists and what, a few months ago, may have been perceived by some as their irresistible ascension in Algerian domestic politics? I think there is, for several reasons. First, France is discovering that it has had a very large Muslim minority for some years. There are currently around 4 million Muslims in France out of a population of a little under 60 million. This is a recent realization. It has admittedly caused a certain degree of uneasiness in a country with a strong attachment to its cultural identity and traditional values. About half of this Muslim community is made up of French citizens or residents of Algerian origin.

Last year the French minister of worship, who is the minister of interior, created a Committee of Sages, in which the rector of the Paris mosque plays an eminent role, to take a look at how this community might be represented, as is already the case for the Catholic, Protestant, and Jewish communities. The appearance in Algeria of a religious party that rejects certain fundamental principles of our society, civil justice, and law cannot fail to have an impact on the Algerian community and on the Muslim community in our country.

In the second place, France has a strong secular tradition. I must say that, as the son of a grade school teacher, I myself am very attached to this concept of my country. Our Republic is secular because it is a product of the 1789 Revolution and the struggle against both absolute rule by divine right and the privileges of the clergy. In the eyes of many of my fellow countrymen, any religiously inspired government or movement is suspect and is considered regressive or even obscurantist. I think many people believe that the rise of an Islamic movement in a neighboring country could pose a danger of regression for it, as well as a possible threat to our mutual relations.

Last, public opinion does not differentiate very clearly between Islamism and fundamentalism. Even in the press, many make a debatable amalgam of these distinct concepts. And it must be recognized that the period from 1986 to 1988, during which France was the target of fundamentalist terrorist attacks, was a painful experience for us.

It was by playing on that sensitivity, which has many roots, that many reporters arrived at an analysis of this

new phenomenon in Algerian domestic politics, which some of your fellow citizens have found excessive and extreme.

[Balhi] Over 2,000 Algerians in management positions have reportedly left the country for Paris. Can you confirm this? Is this a piece of disinformation originating with the French services or other services?

[Audibert] I am not in a position to give you statistics or even an assessment. Besides, I do not think there are any. "The French services," as you say, are not concerned with this. So much is attributed to them that this has entered in the realm of myth—just like that shipment for Australia there was talk of last year. Some even claim they saw it. "Algerian rumors," which you know are infinite, have a myth of departure. We cannot spend time on this. This is a matter of social psychology, not journalism.

To return to reality, I would remind you that the French Government decided to stop emigration completely at the same time that it decided to institute a policy of assimilation.

[Balhi] An editorialist for the French right-wing newspaper LE FIGARO even suggested that France should give thought to a new form of colonization in Algeria. The editorial coincided with a statement by military headquarters officials in Paris as to a possible counterattack in the southern Mediterranean against the surge of fundamentalism. What do you think of this?

[Audibert] As you know, France has freedom of the press, and you should not expect the wild imaginings of one journalist or another to reveal anything other than his own thoughts. Our laws do not penalize stupidity. The only penalty is the newspaper's circulation, and that is readership reaction. You are making a connection between the expression of what Mauriac called "ox-necked stupidity" and statements made by the chief of staff of the French armies. I can answer your question simply by quoting verbatim from the only public statement on this subject of which I am aware, made by General Schmitt (LE MONDE, 23 March 1990): "Lastly, many countries under domestic pressure from fundamentalism and beset by increasing demographic and economic imbalances have large, modern armed forces that are currently not governed by any treaty. Mr. Chevarnadze himself emphasized this in his opening statement on 6 March 1989 to the Vienna Conference: 'In southern Europe and southwestern Asia there is military potential that may come to surpass our own by far.'"

In addition to the fact that we must give Mr. Chevarnadze his due, I would say that the rest of the reply to the interviewer is a statement of fact and in no way constitutes a threat of a "possible counterattack."

Allow me to say, in this regard, that there is currently a sort of explosion of disinformation that is dangerous.

I know that we are in the midst of an election campaign, but that does not justify distorting the truth and arousing suspicions on the basis of statements that are often very neutral and sometimes totally benign.

[Balhi] Some observers here in Algiers itself are absolutely convinced that Paris is afraid of democracy in Algeria. What is your point of view?

[Audibert] This is where I lose my temper. This is the height of absurdity. I know people who would be happy if it were true! Unfortunately for them, this gossip originates in the phantasmagoria of those who spread it, if not their persecution mania. First, what do you mean by "Paris"? They say! Who is "they"?

I am not speaking for Paris, and I am not speaking for "they." I am speaking as the representative of the president of the Republic and the French Government in Algeria. As such, I will say this:

For years, the concern of my country—the concern of the president of the French Republic—has been to work for peace, development, and equilibrium in the world. We are committed to the ambitious project of building Europe, undeniably. We are alert to the events in Eastern Europe, and we wish to make a positive contribution to the emergence of democracy in that region. But we also know—it is even our intimate conviction—that we must have a broad policy of solidarity with the countries of the South, beginning with the most immediate South, Algeria.

We are convinced that only under a democratic system can a country flourish and a people come fully to terms with itself. As Frenchmen, Europeans, and Mediterraneans, we need an Algeria that is stable, prosperous, and at peace with itself.

Among the political parties represented in Parliament, there is very great consensus on this point, as has been expressed recently. That is undeniable.

I am told there are people who are nostalgic, who have never accepted the course of history and are living in the past. It is true; there are people like that everywhere—in France and in Algeria. But we should not attribute power to them they do not have. When Francois Mitterrand addressed the Algerian National People's Assembly on 1 December 1981, a few months after he was elected president of the Republic, he said: "The past is the past. Let us now look resolutely to the future." For us, the future is democracy on both sides of the Mediterranean.

[Balhi] Recently, the newspaper ACHAAB published a report (source: French Embassy in Algiers) that mentioned places where French was spoken in Algeria. Who is interested in making a document like that public? Is this a real false report?

[Audibert] I do in fact remember reading an article on the subject a while back in ACHAAB. I admit that I did not worry about whether it was a real false report or a false real report.

In any event, the somewhat contrived debate that has arisen around this document is a classic example of artificial polemics and trial for intentions. I refuse to participate in the former or testify in the latter.

For me—for us—there is no epic struggle between French and Arabic. Arabic and French complement one another, just as Arabic and English or Arabic and Spanish complement one another. The Algerian people have made choices that are consistent with their history and their culture. Arabic is the national language. Because of the past, French is still fairly widely spoken. We are proud to see internationally recognized writers, such as the late Kateb Yacine, express themselves in a language we share. We are happy to contribute to the intellectual life of this country through our cultural centers. But it is up to the Algerian people to forge their cultural identity as they see fit, with all that their diverse past has given them.

[Balhi] Are you pleased to hear people called "hizb fransa"?

[Audibert] How could I be pleased with a label that is an insult, a condemnation, and a reproach in the mouths of those who use it? In France, there was an analogous expression during times of revolution or war: the "parti de l'étranger" [foreign side]. We do not have good memories of the term, which was too often used by demagogues to settle dubious grievances.

[Balhi] You are Mitterand's ears in Algiers. How is this important?

[Audibert] I am neither his ears nor his eyes. I have the great honor and the formidable privilege of being his representative in Algeria because he is president of the Republic. I must be worthy of him and show myself equal to the lofty ambitions he has for relations between our two countries.

After working with him at the Elysee as diplomatic adviser for African affairs from 1986 to 1989, I was appointed by him to this post, where I have been for 16 months.

You ask me if this is important. My answer is yes, it is important, because the quality and strength of the relations between France and Algeria are of particular concern to us. I think they are to you, too.

There are innumerable ties between our two nations. It is this familiarity, intimacy, and reciprocal knowledge that make our relations so close and so turbulent.

The future is going to lead both of us to participate in regional groupings—France in the European Community and Algeria in the Union of the Arab Maghreb.

I am sure that the role that we will inexorably be led to play in these new political and economic constructs will not weaken our ties. On the contrary.

But since the future is never certain, my mission is to make sure that this is so.

## EGYPT

### Economists Suggest Ways To Increase National Production

*90AA0231A Cairo AKHIR SA'AH  
in Arabic 11 Jul 90 pp 18-19*

[Article by 'Ala'-al-Din Mustafa: "Economists Discuss Important Issue of Reform and Solution to Problems of Egyptian Economy; Samir Tubar: 'The Problem of Final Accounts and Draft Budget;' Ahmad al-Ghandur: 'Specific Priorities for Consumption and Investment;' Mustafa al-Sa'id: 'The Egyptian Economy Can Find Way Out of Its Crisis;"]

[Excerpts] [Passage omitted] Dr. Ahmad al-Ghandur, dean of the College of Economics at Cairo University, discusses his views on inflation and says that it is basically the product of the deficit in the state's general budget. Dr. al-Ghandur says that the deficit is the result of the fact that national spending outstrips the national product in Egyptian society. He says this situation has existed since the fifties. [passage omitted]

### How Can We Increase Production?

Dr. Ahmad al-Ghandur adds, "Having a budget deficit means that national spending exceeds national production. If this is the essence of the problem, the solution would lie in reducing spending. The first solution then would be to reduce spending, and the second would be to increase production. The problem, however, is much more difficult than that.

"If national spending is to be reduced, personal and public consumption will have to be cut down and private and government investments will have to be reduced. If we were to deal with each particular item of spending, starting with personal consumption, we would say that personal consumption will have to be cut down to the lowest possible level. The number of essential, consumable goods for people in this society must be defined in the narrowest possible terms because the [deficit] gap is large and growing. That is why, one way or the other, this society with its various constitutional institutions and social organizations has to come to an agreement about cutting down on personal consumption. A group of food commodities and housing of a certain kind would be exempt from such cutbacks. Therefore, subsidies for anything but this group of goods would be inconceivable. This means that goods which we are consuming now will not be consumed, and we will then start thinking about exporting these nonessential goods to the outside world."

### Zero Budget

"Public spending by the government will have to be limited to what is essential. Under former President Carter the United States turned to a zero budget. That is,

in estimating the consumption of different government units, the [U.S. administration] started with zero and proceeded from there to determine the amount that was essential and necessary for that unit of government to perform a limited number of services. The advantage of this approach is that it is not subject to bureaucratic pressures which use different names and different reasons for their perennial desire to increase consumption. A zero budget means determining how much is necessary for this unit to continue operating and offering its service. Starting with that amount, the budget may end up with one half or one fourth of what was spent in the previous year. When I talk about cutbacks in public spending by the government in accordance with a zero budget, this does not mean that all spending would be reduced. If we consider money spent on education public spending, it is possible under a zero budget to double the amount spent on education. At the same time spending could also be canceled with the stroke of a pen. We will reduce spending radically and drastically, and in the final analysis public spending will be reduced."

#### Consumption Priorities

Dr. al-Ghandur continues to express his views on economic reform: "As far as the second item, which is investment, is concerned, I would follow the same approach [with] private investment and public investment.

"The notion that it is good and beneficial to invest is strong in people's minds, but given the present condition of the Egyptian economy, not every investment is a good thing. In fact, investment might be the root of the problem. This is indicated for private as well as public investments. This means that any investments I make must only be made according to certain priorities determined by everything which has been said about national spending and the national product. The only investments we must make are those we make in essential goods for personal, domestic consumption and those we make in goods which we can export immediately. This is the fundamental strategy for any investment in Egypt now. After all, investment is part of national spending, and when the volume of investments is large, a large amount of currency is released into the marketplace, and that leads to price increases. If that happens and prices rise, people may not invest in a manner that would bring about the objective that is being sought. This seems very clear in government investments because such investments are financed by budget deficit. When government investments find their way into the marketplace, prices will rise and the value of the Egyptian pound will fall. This means that a venture which could be started based on the fact that it would cost 100 million pounds would have us spend these amounts without getting the goods and services [we expected to get]. In fact, we may find that we need another 100 million pounds to complete the venture. Thus, we would be adding to our spending without producing, and herein lies the danger. Therefore, we have to have priorities for private investments and priorities for public investments.

"When we come to the other part of the equation, which is the national product, we find that the simplest way to increase the national product under Egypt's present conditions would be to do so without making new investments. In the case of a factory operating at only half capacity, for example, an effort would be made to make it operate at full capacity. But in the case of a factory operating at full capacity, a factory whose workers' productivity is only half or one fourth of ideal productivity, the productivity of those workers will have to be increased. This is something which each unit of production has to deal with. Even as we speak we remain unaware of many solutions to many aspects of the present economic problem. In the final analysis, what is being said now about privatizing the public sector comes under the rubric of increasing that sector's productivity." [passage omitted]

#### Developing the Commodities Sector

As far as the first point is concerned, [namely, the relatively strong foundation of the Egyptian economy], Dr. Mustafa al-Sa'id says that no economic growth can be achieved without a strong foundation. "Egypt has a relatively strong foundation, and this is cause for optimism. This helps us move toward developing the agricultural and industrial commodities sector. If we have a strong foundation and a disproportionate development of the commodities sector, then there is something wrong with the economic policies. There has to be a balance between the services sector and the commodities sector because such a balance causes a reduction in imports, an increase in exports, and an improvement in the trade balance and the balance of payments. What has happened so far, [however], is that economic policies have failed to achieve this balance.

"What gives us reason to be optimistic," continues Mustafa al-Sa'id, is that the rate of savings in the Egyptian economy is high, but these savings are not enough. In order for savings to achieve their purpose, they must be channeled into investments and into the establishment of productive projects to benefit the national economy. A way has to be found to attract savings and to channel them into investments. This brings us to the need to stimulate the Egyptian money market. We need to sell stocks and bonds for which the state would guarantee a minimum return. We all remember the experience of building the iron and steel plant in the sixties: the state promoted the sale of stocks and bonds and guaranteed a minimum one third return on the investment. That was why these shares sold well.

"Manpower represents the third element of strength. Although much has been said about the population problem, reference must be made to the fact that man is a consumer as well as a producer. We have a manpower reserve which is made up of people who are educated and trained and who can make a contribution to development.

"What is required can be achieved by having the three aforementioned elements meshed together. Two important elements, however, must precede that.

- "The first element is that of providing political support for those who make political and economic decisions. The only way this can be achieved is to let the question be decided by the public, especially in election campaigns. Those who make economic decisions can thus have enough support.
- "The second element is that of participation, and freedom of expression is not the only way to achieve that. People have to participate in making the economic policy. Participation is not just a matter of political necessity, but it is a matter of economic necessity as well."

#### The Problem of Final Accounts

[Passage omitted] Dr. Samir Tubar continues to discuss his view of a reform plan and says, "If we want to pursue economic reform, we have to answer one fundamental question: Given the fact that economic reform is a vital issue for the creation of a self-reliant economy, can Egypt do without the outside world at this stage, regardless of whether or not it pleases the Fund?"

"A look at the composition of our imports shows that the cost of imported consumer goods amounted to \$3.2 billion: \$1.1 billion were spent on imported wheat and flour alone, and \$2.1 billion were spent to import consumer goods. This means that capital goods [as published] and production requirements make up the largest part of our imports. This matter requires a commitment to manufacture the means of production locally, given the capabilities and resources which are available to us."

#### Self-Reliance

"The question of restoring outside balance to the Egyptian economy requires that integrated policies, both economic and trade policies, be determined. The aim of these policies would be to develop exports and increase their share in the national product. It requires that guidelines be set to determine demand for goods which are to be exported, and it requires increasing production of substitutes for imported goods. Guidelines are to be set for the consumption of imported goods, and greater efficiency is to be employed in using foreign assistance and foreign loans and grants.

"From that premise emphasis should be placed on the following:

- "First, emphasis should be placed on the production of goods to support what was stressed by the first Five-Year Plan, namely, reshaping and modernizing the base of production for these goods. A shift from a service oriented economy to one marked by a balance in the production of goods and services would ensue.
- "Second, production and productivity in the various areas should be increased. Productivity should be

considered the cornerstone in bringing about economic stability. Controlling production in accordance with needs and with local and export modes and standards is associated with productivity since waste in the production process will be eliminated and emphasis will be placed on relying on advanced technology.

- "Third, export capability is to be increased. It should be noted that while the greater emphasis placed by the first Five-Year Plan on curbing imports as opposed to increasing exports was useful in improving conditions for the balance of payments, it is not suitable as the only method for achieving the self-reliance which is being sought.
- "Fourth, local resources for financing ventures are to be mobilized so that everything needed for investments can be made available.
- "Fifth, the role played by the private sector and the cooperative sector in production is to be strengthened. This is based on the fact that mobilizing the resources of these two sectors in the interests of development comes at the forefront of the goals of the plan.

"The gist [of all this] is that an effort is to be made to correct the balance of payments gradually and to increase reliance on local resources in financing development. Proper guidelines are to be set to make the use of foreign financing more efficient. At the same time, local as well as foreign, private investments are to be encouraged to counter the shortfall in local savings, to support joint development efforts, and to reinforce a sense of affiliation."

#### Experts for Future Planning

Dr. Mukhtar Halludah, president of the Central Agency for Public Mobilization and Statistics talks about a new angle and says, "If we are in the process of adopting economic reform policies, such reform will have to be preceded by having a group of experts who may be given any name. The group may be called a group for the development of Egypt or a planning task force. Experts in all fields would serve on this task force which would be chaired by the president directly. This presidential task force would be divided into four subgroups: one for technology, one for systems, one for information, and one for manpower.

"We made this suggestion 10 years ago. It seems to me," continued Dr. Halludah, "that this is the key to the solution.

"Every country in the world has a group of experts who talk about future issues and engage executive agencies in an ongoing dialogue. If we were to look at the Japanese experience, we would find that Japan benefited from a reverse engineering, which is the reason why Japan conquered the world's markets. Tape recording machines first appeared in the United States. Then they

were developed by Japan which came out with the cassette tape recorders with which Japan conquered the world's markets and so on.

"A solution to the economic problem requires more than financial policies or the adoption of specialization, which is the method that is being proposed for the public sector. A solution to the economic problem requires a total look and comprehensive, exhaustive discussions."

#### Involving the Public in Economic Reform

Al-Sayyid Yasin, president of the AL-AHRAM Center for Strategic Studies, thinks that if we want to talk about economic reform, political, cultural, and social conditions must also be studied. This means that technical solutions which have to do with exchange rates, interest rates, and other solutions are not the decisive solutions when it comes to economic reform. This is because there are pressure groups and interest groups which could impede reform policies.

Al-Sayyid Yasin sets forth an important dimension in economic reform, which is public involvement. It is citizens who have to live with what may be harsh measures taken by the government in its effort to achieve reform. They are the ones who have to pay when prices rise as a result of decisions which are made to raise the prices of goods so that a structural defect in the national economy may be corrected. For any plan to succeed, citizens must be given hope that a crisis will be over in accordance with a specific timetable.

If citizens feel that the return from these harsh measures will ultimately benefit them, they will contribute to the reform plan. They will contribute only when they are convinced that the distribution of national revenues and obligations required by the reform plan is just. But if citizens, particularly those on fixed incomes, find themselves, not the well-to-do, to be the only ones carrying the burdens of reform programs, they will have a negative reaction to this reform and they will resist it passively by not producing and not working. That is why social justice is the key to the success of any economic plan. Social justice may be pursued by means of an equitable tax system or a distribution of burdens among all classes so that the well-to-do would be carrying a greater burden.

Modern studies tend to point out that the main test does not lie with the rate of growth in the national revenue. Some experts think that the rate of growth in national revenues is a misleading indicator for measuring growth because the product of growth can go to one group in society at the expense of other groups. The distribution of national revenues has become the key to measuring the rate of growth.

If there is a plan for economic reform, that plan will not be destined to succeed, regardless of the economic measures that are taken, unless the public is involved in it. This is because public involvement in such a plan is the decisive factor in the effort to increase production and productivity. Public involvement can only be achieved

when the general feeling among the public is that social justice will be observed in redistributing returns from this plan and citizens feel hopeful that this will be done according to a timetable and a specific program. [passage omitted]

#### IRAQ

##### 'Aziz to Klibi: Kuwaiti Statement 'Full of Deceptions'

90AE0227A London *AL-DUSTUR*  
in Arabic 30 Jul 90 pp 13-14

[Text of Tariq 'Aziz Statement to Klibi in Response to Kuwaiti Government's Memorandum; Kuwaiti Government's Message Is "Full of Distortions"]

[Text] Tariq 'Aziz, the deputy prime minister and minister of foreign affairs, has sent to Arab League Secretary General Chadli Klibi a message in response to the Kuwaiti Government memorandum dated 18 July 1990.

The Arab League General Secretariat has distributed the message to the Arab countries at Iraq's request. Following is the text of the message:

His Excellency Brother Chadli Klibi, Arab League Secretary General,

##### A Fraternal Greeting

We have perused the Kuwaiti Government memorandum dated 26 Dhu al-Hijjah 1410 of the Hegira, corresponding to 18 July 1990. To begin, I wish to comment on the astonishment and surprise expressed in the memorandum's introduction over the contents of my message of 15 July 1990. This very expression reflects painful facts which have motivated us to write this message.

The Kuwaiti Government officials who have intentionally sought to inflict harm on Iraq and who have followed throughout years a premeditated course to encroach upon Iraq's territory and to steal the wealth belonging to Iraq's citizens throughout the period in which Iraq was preoccupied with the war and with defending the Arab nation's sovereignty and dignity and the Gulf states' wealth—these officials are today surprised because we are exposing their actions to the Arab nation now that all our fraternal endeavors to dissuade them have failed. They are surprised because they have become accustomed to exploiting our silence and patience. For years and years, we have pressed the wound out of our eagerness to preserve fraternal relations which they have not respected and supreme pan-Arab interests which they have intentionally mocked.

The Kuwaiti Government's message abounds with distortions that are easy to expose, it outflanks the facts that are clearly stated in our message, and it seeks to divert attention from these facts by employing a general language intended to avoid dealing with the harm and

## NEAR EAST

injustice the Kuwaiti Government has inflicted on Iraq. Following are some observations on the Kuwaiti Government's message:

The Kuwaiti Government's message says "what makes Kuwait doubly astonished is that this memorandum comes at a time when the two countries continue to coordinate in the various spheres." We ask the Kuwaiti Government: What coordination steps has it taken vis-a-vis Iraq? The fact which all Arabs must know is that the Kuwaiti officials have been intentionally evading and procrastinating in embarking on any serious coordination between the two countries.

An example of this is the delay and procrastination in responding to Iraq's offer to the Kuwaiti Government to supply Kuwait with water from the Shatt al-'Arab within the context of fraternal feelings toward the fraternal Kuwaiti people.

There is also the issue of the direct air corridor between Iraq and Kuwait. During the war, Iraq was compelled not to use the said corridor.

In November 1989, Iraq raised the matter with the Kuwaiti Government through a letter from the Iraqi minister of transport and communications to his Kuwaiti counterpart requesting that this corridor be reopened. But the Kuwaiti Government acted evasively. In January 1990, the Iraqi minister of transport and communications sent another letter to his Kuwaiti counterpart but received no answer. In February 1990, I personally brought up the issue with Kuwait's minister of foreign affairs and begged him to resolve the issue. But we received no answer. The Kuwaiti Government's behavior means that al-Basrah International Airport will not be able to operate as an international airport now that the war has ended. Meanwhile, Kuwait has resumed operating the corridor between itself and Iran. Does such conduct occur within the context of eagerness to coordinate with brothers, as the Kuwaiti Government's memorandum alleges? The facts confirm that from September 1980 to this day, Iraq has been the first to take the initiative in arranging visits to Kuwait for the purpose of coordinating on all joint issues, including the issues dealt with in our message of 15 July 1990. If we count the visits made by Iraqi officials to Kuwait, we would find that they exceed the visits made by Kuwaiti officials to Iraq. This is another fact to be added about the party that is truly seeking coordination.

The Kuwaiti memorandum was right when it said that Iraq "has been foremost among the brothers calling for achieving accord in the Arab relations, for steering these relations clear of whatever perturbs them, and for balancing these relations in a manner that serves common Arab action."

Iraq has enjoyed, continues to enjoy, and will always enjoy this characteristic. The Kuwaiti Government officials are the ones who undermined these principles when they inflicted, with a premeditated and programmed

method, harm on Iraq and encroached upon its lands and rights throughout the war years and since those years.

Had they observed these principles and applied them in their relations with Iraq, which has continued to bear them friendship and which has endured their offenses throughout numerous years, we would not have been compelled to do what we have unwillingly done.

In his address on 17 July 1990, President Saddam Husayn expressed the profound pain we feel for being compelled to expose the harm inflicted upon us when he said: "When we are compelled to say this, we feel torn inside and we experience the highest meanings of grief. We did not wish to speak of usurped rights when the usurper is an Arab. As always, we wished to dwell in our words on the rights usurped by the foreigner only. But the evil makers will alone shoulder the consequences of their evil acts before God and the nation. They have displayed a store of such acts which we did not previously know they possessed, even though we have wished otherwise."

The Kuwaiti Government points out the attacks its territories, oil installations, oil tankers, and commercial interests endured during the war. It thus disregards the political and geographic facts of the conflict that took place between 1980, and earlier, and 1988. We have said in our memorandum that all the heads of the Gulf states, and the entire Arab nation along with them, stressed that the battle was not only an Iraqi battle but also a battle in defense of the Gulf, its security, and its sovereignty. Kuwait is the arena closest to the battlefield, and the external and internal threat posed to Kuwait was an immediate threat. Some of what the Kuwaiti memorandum says confirms this. If Kuwait supported us with positions for which we have expressed appreciation, as noted in our message of 15 July, then Kuwait did in fact act largely from the angle of self-preservation. If Kuwait has suffered material losses, we have spilled precious blood, in addition to incurring enormous losses. Yet, our view of the issue has been and continues to be a pan-Arab view. However, we raised in our message questions to which the Kuwaiti memorandum has not responded. The memorandum has not touched on increased production by some Gulf states when Iraqi exports were absent or on the fortunes these states accumulated during the war, even though we have submitted figures and proof of this.

As for the Kuwaiti Government memorandum's statement that Iraq has a record abounding with encroachments upon Kuwaiti territories, it is a lie and a distortion of the facts. Iraq was preoccupied with war throughout eight years, and it did not have a single soldier, policeman, or police guard in the said areas. They were all on the front fighting in defense of the nation's honor and sovereignty at a time when the sole concern of the Kuwaiti Government officials was to plan gradual encroachment upon Iraqi lands, to build police stations, farms, and military and oil installations on those lands.

Iraq paid this matter no heed because it was waging a fateful battle for itself and for all the Arabs and because Iraq's viewpoint of Arab land and of Arab relations is well known.

The memorandum says that Iraq has been refusing to "delineate its borders" with Kuwait. This is a lie refuted by the facts, the documents, and the events. First, the issue between Iraq and Kuwait is not—as stated in Deputy Prime Minister Sa'dun Hammadi's message of 30 April 1990 to the Kuwaiti minister of foreign affairs—an issue of "demarcation," as the Kuwaiti memorandum alleges. The border situation is in fact, as the message stated, the situation between two neighboring countries that are bound to each other by the bonds of close blood relations and that have not yet developed an agreement on delineating their land and sea borders.

The Kuwaiti memorandum has ignored our initiative to which we referred in our message of 15 July 1990. While attending the Algiers summit in May 1988, I personally informed the Kuwaiti minister of foreign affairs of his excellency, President Saddam Husayn's wish to settle the border issue between the two countries. But after a number of contacts were held on the issue, the Kuwaiti side again acted evasively, notified us that its circumstances did not permit it to discuss the issue, and asked us to postpone its discussion. Moreover, Kuwaiti officials contacted us and informed us of their wish to shift the border dossier from one official to another. President Saddam Husayn was the one who again proposed to his highness the amir of Kuwait during the amir's visit to Iraq in September 1989 that the issue be discussed anew and resolved fraternally.

As to what the Kuwaiti memorandum says about the resolution of pending border problems with Saudi Arabia and Jordan, it is true. The fact is that we have not had with Saudi Arabia and Jordan a border problem similar to the problem with Kuwait. There were a number of small pending border problems and we have dealt with them within the context of a pan-Arab viewpoint that does not bicker over inches between fraternal countries. We wish the Kuwaiti Government would act on this issue as we have acted and as the brothers in Jordan and Saudi Arabia have acted.

As for the Kuwaiti Government memorandum's reference to the national charter proposed by President Saddam Husayn in February 1980 and to this reference's artificial linking of the charter with a proposal contained in the memorandum, we say that the national charter is an indivisible whole and that no party may embrace the part of the charter that it likes and then stab in the heart the other principles and bases that the charter contains, because the Arab relationship proposed by the charter is a comprehensive and interconnected relationship. Moreover, if the Kuwaiti Government truly believes in the national charter which was proclaimed 10 years ago, then why did it not say so earlier and why has it avoided signing the agreements which we have presented to it and the likes of which we have concluded with the Kingdom

of Saudi Arabia and with other countries of the region? Why did Kuwait get angry with proposals which we submitted to it, as noted in Dr. Sa'dun Hammadi's message of 30 April 1990, and which fall within the framework of the principles contained in the charter and in the Arab League charter? The selective approach cannot be a proper approach in the Arab relations. The required approach is the comprehensive approach which relies on constant pan-Arab principles and on the needs and requirements of pan-Arab security.

The Kuwaiti Government's memorandum has passed swiftly over what we have raised regarding its oil policy, which has intentionally sought to harm Iraq. The memorandum has not responded to the facts that we have cited, which are well known to all the brothers in the region because we have complained to them about Kuwait's policy. They have supported our complaint, and they themselves complained, asserting that they are also being harmed by this premeditated policy which seeks to shake the oil market and to inflict losses on the Arab oil-exporting countries which number eight, excluding Kuwait and the UAE [United Arab Emirates]. This confirms the soundness of what we have cited in our message.

As for the Kuwaiti Government's claims to the Iraqi al-Rumaylah field, we stress that this field is Iraqi in name and in territory and that what the Kuwaiti Government intentionally pumped out of this field under the circumstances of Iraq's preoccupation with the war is stolen property which the Kuwaiti Government must return to the struggling Iraqi people. This is just one example of the Kuwaiti Government's encroachments upon our oil, and such encroachments are not confined to this field.

What is interesting is that the Kuwaiti Government has not been content with responding to our message with a memorandum addressed to the Arab League. Rather, on Thursday, 19 July, this government sent a message on the issue to the Security Council chairman and to the UN secretary general. Does the Kuwaiti Government intend to internationalize this issue at a time when it has filled its memorandum to the league with creative and resonant words about the Arab League, about its charter, and about inter-Arab relations.

The actual behavior reveals the facts. Perhaps what sheds even greater light on the issue and confirms what we have underlined in President Saddam Husayn's address of 17 July and in our message of 15 July—namely that the policy embraced by the Kuwaiti Government is a U.S. policy—are the latest U.S. statements, which have said frankly that the Kuwaiti Government can seek protection under the canopy of the U.S. force. This is tantamount to unambiguous encouragement to the Kuwaiti Government to persist in its policy, which intends to commit aggression against Iraq and the Arab nation. Where does this issue stand vis-a-vis the Arabs, Arabism, and the league, O government of Kuwait!

On this issue, we tell the Kuwaiti Government that he who plots against the Arab nation and threatens the very core of its essential interests will not be protected by the foreigner. The Arab people dealt previously with cases of this kind, and the fate of such cases has been well known.

I beg, Mr. secretary general, that this message be distributed to the Arab states. Best greetings and wishes.

Tariq 'Aziz The Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Iraq

#### **AL-SHARQ AL-AWSAT Analyzes Sanctions' Impact**

*90AE0227B London AL-SHARQ AL-AWSAT in Arabic 7 Aug 90 p 9*

[Article: "Internationally Besieged Iraqi Economy Faces Bitter Dues To Pay; Baghdad Faces Wall and All-out Economic War; Kirkuk-Adana Pipeline Shut Down Because of Collapse of Sales; U.S. Official: Ban May Last 'Indefinitely,' Some OPEC Countries Call for Waiting Before Production Is Increased In Order To Make Market Absorb Large Stores First; Experts Find It Doubtful That Shortfall Expected After Total Ban on Iraqi and Kuwaiti Oil Can Be Compensated"]

[Text] World Capitals, AL-SHARQ AL-AWSAT, News Agencies—Iraq is experiencing one of the darkest periods in its history while its officials and ambassadors abroad watch with dismay this immense deluge of sanctions and condemnations coming from all parts of the world in the wake of the military invasion of Kuwait and of the lack of any serious signs of Baghdad's willingness to withdraw and to restore the conditions existing prior to the invasion.

At a time when Iraq has begun to prepare seriously for the possibilities that the confrontation with the world community will escalate to the brink of war, the unprecedented economic sanctions have begun to have their serious effects on the Iraqi economy, as evidenced by the fact that Baghdad last evening shut one of the two pipelines that pass throughout Turkish territories to (Yumurtalik) Oil Refinery near Adana on the Mediterranean Coast. This pipeline has a capacity of 5,000 cubic meters per hour. At the same time, the second pipeline's capacity has been reduced by 70 percent.

It is to be noted that the two pipelines have a capacity of 1.6 million barrels daily or 75.1 million tons of Iraqi oil annually. These two pipelines, through which one half Iraq's oil exports have passed in recent years, were built in 1977 and (1984) and operated without interruption during the Gulf war between Iraq and Iran.

The semiofficial Turkish news agency which transmitted this urgent report has not mentioned the reasons behind the Iraqi step. But sources in the oil market have speculated that Iraq, which can no longer sell its oil, no longer needs to pump oil at high capacity through the two pipelines.

A spokesman in the name of the Turkish Ministry of Foreign Affairs denied yesterday that his country has assured Iraq that it will remain neutral and will not shut down the two Iraqi oil pipelines passing through its territories.

(Ferhat Osman), the spokesman, has told REUTERS: "We have not given Iraq any assurances. Turkey will abide by any steps taken by the United Nations, the Arab and western countries, and the international community."

#### **Neutral Switzerland Also Boycotts**

In a significant development, neutral Switzerland decided yesterday to impose sanctions on a foreign country for the first time ever when (Klaus Jacobi), Switzerland's minister of foreign affairs, said yesterday that "in an unprecedented step in its history," his country is discussing the question of joining the international economic sanctions against Iraq.

Jacobi said that in case the United Nations agrees to impose sanctions against Iraq because of its invasion of Iraq, then Switzerland may join these sanctions, thus resorting for the first time ever to economic pressure in its foreign policy.

Jacobi told journalists: "Iraq's invasion and its violation of basic rights is such an ugly act that we have decided to discuss carefully how we can lend a helping hand to the current movements in the international community."

Jacobi said: "Iraq is so guilty of this open violation that we simply cannot stand silent."

#### **Australian Sanctions**

Australia yesterday joined the international campaign seeking to impose economic sanctions on Iraq and said that "by invading Kuwait," Baghdad has acted "in a crude and indefensible manner."

The Australian sanctions include a ban on oil imports from Iraq or Kuwait and prohibit the sale of engine parts to the Iraqi air forces.

A government spokesman said that Australia will make certain that Kuwaiti assets in Australia "will be at the disposal of the legitimate Kuwaiti Government only."

Australia purchased the equivalent of \$79 million in Kuwaiti oil derivatives last year but imported no oil from Iraq in the same year.

The Australian Government estimates Kuwaiti investments in Australian firms at \$1.35 billion in assets whereas the Iraqi assets are not noteworthy.

#### **France Escalates Sanctions**

In Paris, the French Government has decided to prohibit the transportation of Iraqi oil by French tankers as part of the ban established by the European Community.

The same source [as published] added that the tankers existing at sea when the ban decision was made will not be able to unload their shipments in France and "will be directed to other ports."

On Sunday evening, France decided to immediately halt its imports of oil and oil derivatives from Iraq and Kuwait in the wake of the statement issued in Rome by the 12 European countries. This decision has been conveyed to the oil companies.

Informed sources in Paris have said that a shipment of Iraqi oil designated for Shell Company and expected to arrive in Le Havre Port in mid-August will be, it seems, directed to another country that has not yet decided to ban Iraqi oil.

#### Sanctions From Netherlands

In the Hague, the Netherlands Government announced yesterday that it will impose a ban on oil shipments from Iraq and Kuwait and will freeze the two countries' assets in its territories.

(Robert Van Lanchote), the Foreign Ministry spokesman, has said: "We will proceed to implement the European Community's decision."

But the Netherlands Ministry of Economic Affairs has said that the ban imposed on Iraqi and Kuwait oil will put a halt to all shipments from these two countries, except for "shipments already at sea" whose cost was paid before imposition of the ban. Nearly 85 million tons of crude oil arrive in Rotterdam Port, the world's biggest port, annually.

Most news agencies and news sources were in agreement yesterday that President George Bush will ceaselessly seek to impose an allout oil blockade against Iraq despite the difficulties and perils that may engulf such a strategy.

#### Kissinger's Expectations

But Henry Kissinger, a former U.S. secretary of state, has said that if the ban is observed strictly Iraq will be compelled to withdraw from Kuwait.

Meanwhile, the experts and the "markets" have continued to try to speculate on the immediate and long-range consequences to prices of any effective oil blockade that prevents Iraq from selling its oil or Kuwaiti oil. Such a blockade will suddenly lift from the markets more than 4.6 million barrels daily, this being the volume representing the two countries' quota.

Experts now agree that it is difficult to fully make up for the volume that will be withheld from the markets as a result of the international blockade expected to be imposed on Iraq in the next few days.

#### Who Will Make Up for Shortfall?

It is noticed that while some OPEC members, such as Venezuela, have expressed their determination to push

production to its maximum limit, other countries, such as the UAE [United Arab Emirates] and Iran, yesterday called for waiting and refraining from increasing production.

Iranian Oil Minister Gholam Reza (Aqazadeh) yesterday said that waiting before increasing production will allow OPEC to get rid of the vast store existing in the market and will force the industrial countries to draw from this store to make up for the shortfall in world supply.

Henry (Schuler), an energy affairs expert at the International and Strategic Studies Center, believes that even if the countries with a surplus production capacity increase production, this increase may not be enough. This opinion is in harmony with the assessment the Iranian oil minister offered yesterday, namely that the oil blockade on Iraq may remove nearly three million barrels from the market daily even if the "capable" OPEC countries increase their production. Schuler pointed out that the estimates on the surplus are also doubtful.

Consequently, some experts have raised the question about the length of the period during which the United States and its allies maintain the oil blockade against Iraq without the risk of raising the prices to levels never before experienced by the market.

Answering this question, an official of the Bush administration who requested anonymity has said: "The ban may last indefinitely." The MIDDLE EAST ECONOMIC SURVEY, a specialized oil publication issued in Nicosia, supported, in yesterday's edition, the difficulty of finding alternatives to Iraqi and Kuwaiti oil.

## ISRAEL

#### Foreign Policy Recommendations Offered to Levi 90AE0139B Tel Aviv MA'ARIV in Hebrew 22 Jun 90 p 3B

[Commentary by Moshe Zak]

[Text] To the new foreign minister, with wishes for a speedy recovery—ten recommendations, not from the professional staff of the ministry.

1. Do not become enthusiastic about President Bush's announcement regarding the suspension of the dialogue with the PLO. This is not an absolute cessation, only a temporary one, until the terrorist organization says "yes" to the Administration's demand that Abu-al-'Abbas be removed from its executive committee, or "yes" to alternate formulas that will be presented to it in negotiations behind the scenes. The precedent of November 1988 is indicative of such a possibility. The Reagan administration did not consider Arafat's declaration in the General Assembly sufficient, and demanded an explicit commitment to cease all terrorism as a condition for opening a dialogue. Arafat had no difficulty declaring a commitment styled after the American proposal, since he had no intention of fulfilling it.

Bush's declaration on the dialogue with the PLO is the tossing of the first ring; one must exercise caution regarding whom the second will hit, in the name of "balance".

2. Do not be sorry about the spokesman's announcement in Washington that there are no plans to invite you for talks in the near future. It is preferable that they become acquainted with you by your decisions in Jerusalem than by way of a visit in Washington. It is preferable to wait to travel there until the Administration understands that the policy whereby a balance is maintained between Israel and the PLO by demanding a "yes" from both on the American question is essentially mistaken.

3. It is pointless to search among the documents of the foreign ministry for a letter from James Baker that remained unanswered. You will not find such a letter, despite everything that was said during the three months of the political crisis. Such a letter does not exist, but was merely a metaphor for the formula proposed by Baker to your predecessor at their meeting in Washington regarding the composition of the Palestinian delegation to the Cairo meeting.

The first letter requiring an answer arrived in Jerusalem on the day that you were hospitalized and two days after Secretary of State Baker sneered at the Israeli government that if it was genuine in its declarations of peace, it should phone the White House. President Bush was not satisfied with a routine greeting to Shamir. He also detailed the position of the United States regarding the Israeli - Palestinian negotiations, and asked that the prime minister respond, defining the Israeli position vis-a-vis the composition of the Palestinian delegation and the agenda of the Cairo meeting. Bush tried to sweeten the harsh statements against the settlements, which included a threat that the American position would be expressed in the Security Council, with two commitments: the first, that the United States would unequivocally support Jewish immigration from the Soviet Union; and the second, the uncompromising objection to terrorism. This requires a fundamental and piercing examination of the subject of the Cairo meeting, before ministers react to it in public.

4. It is desirable that you initiate the establishment of an inter-ministerial staff to examine the various aspects of the Saudi Arabian arms deal, and its ramifications on the security and budget of Israel. It is likely that the strong hand that the Administration is displaying toward Israel is intended to soften its objection to the deal, worth billions of dollars. Israel cannot view with indifference the arming of a neighboring state whose intelligence is coordinated with those of Iraq and Syria. On the other hand, it would be worthwhile to examine whether a confrontation with the Administration over this matter would be desirable right now, given its importance to the American military industry. A team from the foreign ministry, ministry of defense, ministry of finance, and prime minister's office must examine whether it would

be worthwhile to accept suitable compensation from the United States, as was proposed by the Reagan Administration at the completion to the AWACs deal—two squadrons for Israel.

5. It is desirable, and even urgent, that the foreign minister telephone his counterparts within the European Common Market today, in order to request that they delay the approval of the anti-Israeli resolution at the summit meeting that they are about to convene next week in Dublin, until they allow him to explain his position.

6. Request that your fellow ministers refrain from declarations on foreign affairs without prior coordination with you. Call upon them not to be tempted to respond to the haughty words of the Iraqi and Libyan rulers regarding the non-conventional arms that they are preparing for the war on Israel. We have no interest in aiding in the creation of an atmosphere of war, which invites external pressure on Israel to concede to the Arabs in order to avert the danger of war.

7. Treat cautiously any reports given to you in the utmost confidence by foreign statesmen following their visits to Arab states. They tend to become enthused over conversations with cunning Arab rulers. For example, Jimmy Carter arrived recently in Jerusalem, making headlines with his news regarding Syria's willingness to hold direct negotiations with Israel within the framework of an international conference. The Syrian ruler, however, adamantly denied this "information" in his conversation with editors of the Egyptian press, clarifying that nobody in Syria had spoken of demilitarizing the Golan Heights. You have learned from your own experience to regard with doubt broadcasts from Radio Monte Carlo about the full content of the messages exchanged between Shamir and Mubarak, since you know that these messages had not been exchanged until then.

8. Ask one of your assistants to prepare a brief for you on the history of the relations between the prime ministers and foreign ministers of Israel, and you will see that this was, indeed, the case: the relations between Ben-Gurion and Sharett and between Golda Meir and Eban are likely to block any attempts to create conflict between you and Shamir.

9. Advise your assistants to exercise patience and not hurry to respond to every statement by some anonymous clerk in Washington. It is preferable to speak directly and covertly with the Administration than indirectly and publicly. Exacerbation of a public argument is likely to undermine our status in the eyes of many countries.

10. Even if the Bush-Baker duo reaches the conclusion that the Jewish vote in the '92 elections will not be given to Bush in any event, do not give up. Relations with the United States are not of a single dimension and do not depend upon a "yes" to Baker. No Israeli foreign minister can brag that there was no controversy with the Administration regarding the Arab-Israeli conflict during his

reign. This did not detract from the overall balance of relations, which is positive. Following the "no" to the Rogers Plan, the American- Israeli understanding for saving Jordan was born. After the "no" to the Reagan Plan the Agreement of Strategic Understanding came into being. This does not mean that one must always say "no". One must focus it on vital matters and not run toward unnecessary confrontations.

### Peace by Stages Plan Considered

90AE0152B MA'ARIV in Hebrew 4 Jul 90 p 10

[Article by Shmuel Segev]

[Text] An interesting development is likely to take place soon within the Israeli "peace camp". The Council for Peace and Security, formed on the eve of the last elections to the Knesset by Major General (Res.) Aharon Yariv is likely to turn gradually into a new body - "The Council for Peace by Stages", which is forming around the plan of Shmuel Toledano, a former advisor on Arab affairs to three prime ministers and a member of the Knesset for the Democratic Movement for Change (Dash).

The transition to the new body will not bring about an official burial of the previous body, but many of the members of the Council for Peace and Security, including the former chief of military intelligence, Major General (Res.) Shlomo Gazit, Yossi Ginosar, one of the former heads of the General Security Services, and Brigadier General Efraim Sneh, formerly chief of the civil administration in Judaea and Samaria, who last week transferred his loyalty from Shim'on Peres to Yitzhaq Rabin, have already officially joined Toledano's society. The expiration of the "Council for Peace and Security" was to be expected. This body was formed by Major General Yariv with the clear objective of support for the Alignment's peace plan. Therefore, its members were limited in their expressions regarding a permanent solution in Judaea, Samaria, and Gaza. Even if many of the members of Yariv's group supported the establishment of a Palestinian state in principle, they did not dare say so in public, for fear that they might prejudice the Alignment's chances in the elections for the Knesset.

Now, however, after the fall of the unity government and the establishment of a right wing - ultra- Orthodox government headed by Yitzhaq Shamir, these generals have decided to sharpen their political message and unify around the plan for "peace by stages" by Toledano. The new plan does not negate the establishment of a Palestinian state and its conclusions are not far from the ideas that were included in the report published approximately two years ago by the Center for Strategic Research, headed by General Yariv. The stages of implementation, however, will be shorter according to the new plan, and Israel's security mechanisms will be more efficient. For example, the Toledano plan says that a Palestinian state will not be allowed to establish an army for the first decade of its existence, that Israel will be

granted the right to enter into the Palestinian state should foreign forces -Arab or other- enter into it, either by consent or by force, and that the Israeli air force would be permitted to fly in the skies of the new state during the first five years of its existence, both for intelligence and training purposes.

The advantage of this plan, in comparison with previous programs, is the degree of support which it receives among the Palestinians in the territories and among the various terrorist organizations. For example, the PLO magazine, "Palestine Al-Thora" published the Toledano plan in its entirety and the Democratic Front for the Liberation of Palestine, headed by Na'if Huatma, identified with it. There are many signs that the United States also supports these ideas and is encouraging Toledano to broaden his preaching of them. Wealthy American Jews, who hitherto supported "Peace Now", have started to send money to the new body. It appears that these Jews are convinced that there is no chance of arriving at immediate peace, since the lack of trust among the parties is so deep. On the other hand, it is possible to arrive at "peace in stages" and, therefore, the new organization must be encouraged and assistance must be given in the funding of its activities.

This widespread support, and particularly the financial resources that have started to become available, is the explanation for the establishment of the "Council for Peace by Stages", that turned the idea of one man to a plan that gathered around it a wide circle of people from all areas - political parties, universities, and reservists from the various security branches.

However, despite the additional security mechanisms, it is doubtful whether Toledano's peace plan will be more acceptable to the Likud than all of its predecessors. The primary reason is that the prime minister and the other Likud ministers adamantly object to the principle of "territories for peace" and they espouse solutions that would not necessitate withdrawal from Judaea, Samaria, and Gaza.

I believe that many in the Labor Party will also object to this program, since even those who accept the principle of "territories for peace" in accordance with Resolution 242 are not yet ready to neglect the "Jordanian option", and they still believe in the possibility of a Jordanian - Palestinian solution, instead of two separate, Jordanian and Palestinian political entities. Moreover, even the PLO's "declaration of independence" speaks of a Jordanian - Palestinian confederation. Therefore, the question is asked: why grant the Palestinians more than they themselves are demanding?

Nevertheless, the Toledano program has several elements that are acceptable to most of the Israeli public. These elements - primarily in the areas of "building mutual trust", long transitional periods, and efficient security mechanisms - can be adopted by any Israeli government without any hesitation.

**Signs of Hardening Visible in Territories**  
*90AE0192B Tel Aviv DAVAR in Hebrew 19 Jun 90 p 7*

[Article by Mikhal Sela']

[Text] On his second day on the job, the new Defense Minister Moshe Arens already promised that dealing with the territories is at the top of his list of priorities. At the end of last week, the Territories Forum met in its most expanded version to listen to the heads of the military government express their opinions on how to make the yoke heavier and at what point the damage would outweigh the advantages. At the beginning of the week, with the reduced team directly responsible for the territories, it turned its attention to implementing each of the action items.

There are no real decisions yet, but there is already a new atmosphere in the field. A gauge of the new wind that is blowing is the destruction and sealing of the homes of Palestinians in the territories. In the first weeks of June, at least 10 homes were destroyed on the West Bank and Gaza, and about five homes were sealed. These were the homes of families of detainees, some of them less than 20 years old, who have spent long months in jail in the territories. All are suspected of attacks against collaborators, of throwing Molotov cocktails, most of which did no harm, and of organizing riots at the local level. Most are still awaiting sentencing; others, perhaps, have already been "convicted."

The use of the destruction of homes as a means of punishment is an indicator of the attitudes of both the political system and of the authorities in terms of a system of defense. As anger toward the residents of the territories increases and a desire to show them the iron fist intensifies, more use is made of it; when political considerations require a softening in the territories, there is less use of it.

The destruction or sealing of homes is carried out, from a legal point of view, according to emergency regulations of 1945, and the use of those tactics is very controversial within the legal community. Every decision to destroy a house or seal it is examined by the judicial advisor of the West Bank or the Gaza Strip, in accordance with the location of the house. Sometimes, because of engineering considerations or a problem with complicated ownership, the destruction order is changed to a sealing-off (in Jericho, for example, a house was not destroyed two years ago because it was under the jurisdiction of the official in charge of absentee property). In other cases, a sealing-off is done to reduce the severity of the punishment.

The destruction of a house is the most serious punishment that can be exacted of a person, more serious, even, than expulsion. The pain and suffering involved are more serious than the monetary damage. In fact, it is a collective punishment since whole families suffer from it. For soldiers charged with carrying it out, it is also

most difficult, and they often cannot hold back their tears as they detonate the explosives.

It used to be that authorization was required from the Minister of Defense to destroy or seal a house. Today the authorization of the general of a command is sufficient, and in many cases the commander of the military force in the area makes the decision according to his own considerations and the recommendations of the General Security Service.

There has also been a reduction in the reasons for destroying a house. Once upon a time they would destroy a house only after a serious attack against Israeli citizens. Angered, the heads of the security system, with the backing of the political echelon, would destroy a house within 24 hours in full view of the media (the last instance of this kind was the destruction of the house of the man who ran bus 405 off a cliff). Since the intifadah began, the use of this punishment has expanded according to the mood of the political and defense establishment. Military prosecutors stress that the destruction of houses is carried out in accordance with the law, but they also admit that the law is controversial. A senior officer in the prosecutor's office admitted to me privately that there is a legal problem in imposing punishments like those of a court of law outside the courtroom, often before the court has decided whether the suspect is guilty or innocent.

As noted, the use of the punishment of destroying houses is a kind of seismograph of the overall atmosphere. Every time the political negotiating bandwagon seems to get moving again, the destructions lessen. It is one of the gestures Israel is required to make to show that her intentions are serious. The moment the political processes go into a freeze again, the heads of the system feel freer to use that punishment.

The destruction of houses was renewed even before the Territories Forum convened last week. There were files that were placed sealed on the tables of the judicial advisors, and the change in atmosphere and political promises to the settlers were sufficient to activate the orders that had been prepared in advance. Also, the month of Ramadan had passed, the month in which the military government generally tries to act more gently, and the next holiday, 'Id al- Adha, only comes at the beginning of July.

In the Territories Forum, meanwhile, suggestions are being raised, while, decisions, insofar as they have been reported, have not yet been made. If the settlers' demand to destroy the houses of stone throwers is accepted, the IDF [Israel Defense Forces] demolition units will be busy day and night. Among other things, the suggestion was made to the Defense Minister to come down harder on children and to detain not only those caught in the act but also anyone known to be involved.

We should not expect a lot of new ideas at the conclusion of the discussion between the new Minister and his advisors. Unofficial conversations with government

people indicate that the main option is to clamp down by using existing methods; i.e., more economic punishment, more collective punishment.

The general of the Central Command, Yitzhaq Mordekhay, has already hinted that the program for issuing "magnetic cards" on the West Bank is ready for implementation and that it will be carried out immediately as soon as the political decision is made. In the military sphere, we can already sense a greater intensity in the activities initiated by the IDF in the villages and refugee camps, activities resulting in the daily arrest of dozens of Palestinians.

All of the suggestions and ideas have a common denominator in public meetings against the background of the settlers' raised fists. Arens promises "to crush the intifadah." In practical conversations with responsible professionals, they talk about "alternate roads," and about "securing the main axes for the settlers."

It should be said on Arens' behalf that he came to his new job armed with the international sensitivity of a foreign minister who listens, as part of his job, to world reaction, to every new step Israel takes in the territories. It should be said on behalf of the security system that it has succeeded in transmitting the message that the intifadah cannot be "annihilated." Nevertheless, there is no doubt that things will get rougher for the Palestinians. Over the short haul that may be enough to thin out a bit the rain of stones hurled daily at military and civilian vehicles traveling in the territories. As to the long haul, the events of the last three years show that the greater the hardship, the tougher Palestinian youth become, the more the Palestinian mothers unite, and the lower the age of those children who challenge the gun barrels with rocks in their hands. No Palestinian child has been left to sleep outside after his house was destroyed.

A regular army sergeant, a year and a half in the military, three weeks at the entrance to the Jalzon refugee camp, understands this well. "They don't understand our situation, don't back us up," he complained, referring to the commanders of the rank of Colonel who argued about the placement of roadblocks. "Look at those three sitting here with plastic manacles on their hands. After making them sit here in the sun for three hours, whether they did something or not, it is clear as day that afterwards they will throw much larger stones."

#### **Education Minister Hammer Open to New Ideas**

*90AE0192A Tel Aviv HADASHOT  
in Hebrew 18 Jun 90 pp 16, 18*

[Article by Tzvi Gilat]

[Text] In 1977, when Zvulun Hammer began his term as Minister of Education and Culture, the establishment that awaited him was nearly panic-stricken. The Ministry of Education was expecting heads to roll, while the public was afraid he would dress the academic program up in a knitted skullcap and impress it with the stamp of

Jewish studies. But, according to people at the Ministry of Education, in his seven years as Minister, Hammer turned out to be a pleasant surprise. He is a pluralist, he gets to the point and he is open. Religious education got its fair share, but the secularists' share was in no way diminished. He brought about legislation for free high school education, he set up the 'Etziyoni Commission to investigate the position of teachers and he started some wide-ranging changes. Hammer is returning to the Education Ministry, after a six-year absence, with obvious relish. The day after he was sworn in as Minister, he had already expressed his opposition to a long study day and a shortened academic week. Since this administration has long campaigned on the issue, we find the positions of the incoming Minister interesting. But, of course, not just because of that. We are also interested in his positions regarding the involvement of parents, integration and other topics on the public agenda. We proposed "education" to Hammer, without talking about the coalition, the Orthodox community and the "whole" Land of Israel. Hammer responded willingly. Our conversation with him shows him to be a man who knows what he wants, a man in favor of decentralization and a man easy to get along with. He even has a good word to say about Communism.

[HADASHOT] You have not yet started the job and have already announced your opposition to a long study day, why?

[Hammer] Beyond my opposition for technical reasons, I am very interested in the nature of our society and its culture. The characteristics that would be given to the day off are very important to me. I am not yet sure that our society is ready for another day off.

[HADASHOT] Your opposition, then, is not a matter of principle? [Hammer] Then maybe we should start with the technical issue. First of all, the entire economy has not yet embraced the five day work week. Only about half of it has. Even if the entire economy had moved to a shortened week, there would still be room to ask if the educational establishment had to do the same. But as long as only half the economy has made the move, there is a problem here. It would create confusion, a lack of organization.

[HADASHOT] And beyond that?

[Hammer] The question then arises as to whether enough cultural and educational programs have been put together to fill that day with meaningful content. On the eve of my departure from the Education Ministry, I had begun to consolidate a program of autonomy for the schools and the community. On that issue, for example, the desired solution would be that every community would be free to decide whether it wanted that day and, if so, what to do with it. I am against engraving the six day work week in stone and against engraving five study days in stone. I neither oppose nor require this. I don't want to decide; I want the community to decide.

[HADASHOT] It is a very liberal position to leave the decision in the hands of the community.

[Hammer] The idea is autonomy of the schools and the community. However, the question is whether the community can come up with satisfactory alternatives for the free day. Neither salary nor work agreements will decide the issue. I believe that the educational-cultural nature of the community should decide. A country with strong communities is a stronger country.

[HADASHOT] Isn't the question of the number of teacher work days on the agenda?

[Hammer] This doesn't contradict the idea that the teacher would teach only five days a week. The profession is very grinding. The teacher always has to give of himself, and I find it very desirable that he have a day off to devote to himself, to learn, to be fulfilled, to receive. Even in my previous term I dreamed that the teacher would learn and teach. A school can certainly be organized to make that happen. In short, since the entire economy has not yet moved to a five day work week, since the community has not yet been asked its opinion, since I am not convinced that enough relevant programs have been prepared, I suggest that the implementation of the idea be postponed.

[HADASHOT] And meanwhile?

[Hammer] Schools will be open six days, the teacher will teach five days, the issue will be studied in the interim, and the community and the Ministry will consolidate their positions.

[HADASHOT] What do you think of the idea in general?

[Hammer] A long study day is a good idea, just as integration is a good idea. But simply stating the idea is not enough of a step. You have to look into the implementation.

[HADASHOT] If, in the final analysis, the community would want a long study day, and would want to organize a cultural-educational infrastructure for the extra day, you would have to sign the check. Could you cover it?

[Hammer] When the question arose of a five day academic week, it was well understood that there would be need for funds for various cultural activities. Other groups also have to be brought into the picture—youth clubs, tourist and travel offices; proper organization will save money.

[HADASHOT] You are saying, then, that a lot depends on community organization.

[Hammer] I am against centralism. Every community has to organize itself according to its needs, and that depends on its ability to organize itself and on the backing it gets, including the budget.

[HADASHOT] In the field, the gaps could widen over this issue. For example, most of the population already

works five days a week. They have the organizational ability and the people are aware of the issue. In the southern neighborhoods, where residents work six days in the factory and where people don't have the time nor energy to organize cultural activities, more frustration and wider gaps may result.

[Hammer] That's a good question. It may be that the northern Tel Aviv community will, therefore, have to rely more on its own resources, while the southern neighborhoods will have to get more assistance. I also feel that in the southern neighborhoods there are enough experienced people to create a lever for change and development; you simply have to locate them and put them to work on it. In some areas we will need more massive backing in order to develop greater strength there. They tell me the surveys show that half the parents are for a five day week and half are against. We have to find out what cross sections are involved and what their motivation is. It may actually be that in north Tel Aviv they want the child to stay in school a sixth day because the parents want to rest or go out somewhere.

[HADASHOT] You want to return the responsibility to society?

[Hammer] Of course. And as long as society doesn't have sufficient tools to accept the responsibility, you have to provide assistance. In any case, that tendency has to be encouraged. The sixth day could go to waste, and that is dangerous, but it could also lead to very positive change.

[HADASHOT] Not as Minister of Education, but as a parent in the community, how would you like to see that additional day?

[Hammer] It's hard to say. I have been the Education Minister for just two days, and I will certainly have more definite thoughts on the matter in a couple of months. It depends on the needs of the community. I also wouldn't run away from normal studies. When I was in the Ministry of Religion, we opened a "religious study hall" for the adult population. That is an idea. We also have to gear ourselves up through television and newspapers as in all sectors and ministries for the absorption of immigrants. By the way, you have to consider the question of how the immigrants will be integrated into the long study day and the short week.

[HADASHOT] One of the implications is that the manpower in the system will change. There will be a need for advisors and sociologists.

[Hammer] Yes, so long as they really do it and don't just talk about it. The teacher himself will have to change and bring himself up to speed. Why not?

[HADASHOT] How do you see parent involvement, in general, in the schools? Do they have a say in terms of content and how it is presented?

[Hammer] In Jewish schools throughout the world there is a lot of parental involvement, perhaps because of the individualistic nature of the Jews. There are those who

see the partnership of parents as involvement and those who see it as butting in. But there are already several models of community schools. I would like to see parents and children learning together. When I was Minister of Education, my daughter, who was a little girl at the time, told me: "Daddy, you don't have time to educate us." It's true that the job requires investing a lot of time. I am very interested in the family and family relations, and the family has to be involved in the process. Parents, teachers and students should spend time together.

[HADASHOT] Are you prepared to have parents determine the curriculum? Right now, I believe, they have the legal right to determine 25 percent of it.

[Hammer] I found that paragraph during my previous term when I introduced "TALA," increased Jewish studies, into the curriculum. I am in favor of parents determining a good bit of the curriculum.

[HADASHOT] Without any limitations? Suppose a school in the Arab sector would want to devote more time to studying the history of Palestinians?

[Hammer] You cannot deny the fact that the Palestinians have a history. In every case where you might open the school gates, there are pros and cons. I favor bringing more subjects into the schools. There is talk now about changing the method of government—I would favor introducing that subject into the curriculum, for example. Any subject can be introduced, provided it is not against the existence of the State of Israel, does not preach violence, etc. There is danger in any course of study. There are people who burn books. I am for opening books. For example, in the secularist community, there are circles that close any book connected with the sources of Judaism. I feel they should open them and learn.

[HADASHOT] If in Nordia they should want to learn the philosophy of Jabotinsky and in Giv'at Brenner, the philosophy of Ben Gurion...

[Hammer] That's fine with me.

[HADASHOT] What kind of teacher would be the right type to teach in such an open system?

[Hammer] A man of high-caliber, open, creative and learned.

[HADASHOT] How would a five day week work in the kindergartens?

[Hammer] It really is a problem there. In the schools you have a large staff to rotate. In the kindergarten there is only the teacher and her aide. One idea that occurred to me is to use Russian immigrants thereby easing their absorption. For example, take teachers of music and rhythm and rotate them in the kindergartens so that they can fill in for the teacher one day a week. You could bring them into the system that way, using monies already authorized for absorption.

[HADASHOT] Do you have a special attitude to this wave of immigration?

[Hammer] Not only myself. I returned from Russia this year very touched. I saw people sitting in the snow reading a book. With all due respect to our own Amos 'Oz and A. B. Yehoshu'a—and I really mean that—they have Tolstoy and Dostoyevski and Pasternak. Communism may be a bankrupt economic and social system, but they did give the people culture. This is a very cultured wave of immigration. Maybe that culture will integrate well with our own.

[HADASHOT] What do you think of schools that answer to the needs of specific populations: nature schools, art schools?

[Hammer] On the one hand, it is good that we are not all the same; on the other hand, you worry about taking away from those who are already deprived. For example, if I were the mayor of Tel Aviv I would make an effort to see such institutions going up in the south of the city, as well.

[HADASHOT] What you are saying then is "special care communities" rather than "special care students."

[Hammer] I am not dismissing individualized activity or the special needs of individual students, which I have worked for, but I want to give some of the responsibility back to the community. What happened with the establishment of the country was that all responsibility was placed on the government, and taken away from the family and parents. That is not good. Especially in a unique, ideological society like our own, where everything is still fermenting. The community needs involvement and responsibility. But it should not take the place of special care.

[HADASHOT] Isn't that idea really a debate over Ben-Gurion's notion of statehood?

[Hammer] It is and it isn't. Ben-Gurion was right, especially for his time: there was a need for strengthening the government. But since the state has been created, there is a need to give power back to the community. By the way, that need is felt in the field. Personal mayoral elections are an example of it. Likewise, the fact that the city doesn't deal only with water and sewage. There is a need for the state, as I said, but you have to give expression to all levels of society, and not let statehood choke them.

[HADASHOT] As you see it, is "integration" working?

[Hammer] There is no clear answer to that. First of all because the system has been only partially implemented. It has not been established in all schools where it was supposed to be. The argument about integration affects both those who absorb and those absorbed. Again, it depends on how it is carried out in the field. There is discomfort in certain circles. Real integration occurs when there are mixed neighborhoods. I think that the country as a whole is becoming more integrated, also

because a new generation has been born here. The general idea is good. Again, the question is how to implement it. To bring students to another school and then leave them in separate classes, for example, is to miss the mark. Where it is done with love and preparation, it works. When it is done because they are forced to do it, it is not good.

[HADASHOT] A few days ago Professor Benjamin Klein's research was published, showing an increase in extremist attitudes among Jewish students toward Arabs and support for "transfer." On the other hand, another piece of research points to a perverted view of the Jew in Arab literature. At Haifa University there were discussions on how to prevent the inculcation of hatred. How is the system dealing with extremism and hatred?

[Hammer] It is true that there is a problem here; how to live on a war footing, even with the intifadah, without hating those perceived as the enemy. How do you learn to win without hating? The intifadah, in its various meanings, has, of course, exacerbated the problem. The situation is difficult because the country is difficult and reality is difficult. Every murder only makes it worse.

[HADASHOT] Would you, for example, encourage meetings between Jewish and Arab schools?

[Hammer] I have to look into that, to see whether it will help or hurt. Maybe the conversations should begin between adults rather than school children. Maybe meetings of another sort have to be set up.

[HADASHOT] The religious establishment opposed those meetings on the grounds that they would foster mixed marriages.

[Hammer] That's true, too. They may also have felt that other things should take priority, like reducing hatred between the secularists and the Orthodox, for example. But I favor bringing these difficult issues into the schools.

[HADASHOT] Political issues, too?

[Hammer] Yes, provided the teacher is an open person who allows his students to express their opinions. Of course.

[HADASHOT] What are the first things you are planning to do as you start this job?

[Hammer] A.—to learn the substantive issues involved in a long study day, to get ready for next year when a part of the system may want it.

B.—the absorption of immigration, its spiritual absorption. They are interested and thirsty to learn about Judaism and Zionism.

C.—looking into the scientific-technical issue, bringing computers into the schools.

The truth is, I am involved in the issues, but it is still too early to set objectives. After all, I have been on the job

just two days. An idea occurred to me and I suggested it to the general director—to set up an open line within a month where teachers, parents and students could phone in, anonymously, if they wanted to, and discuss their ideas, thoughts and criticism, which would be summarized by my assistant and brought up for discussion. In principle, the substantive side of things interests me even though, of course, "there is no Torah without bread."

### SHAS MK Pinhasi Profiled

90AE0139A Tel Aviv MA'ARIV in Hebrew  
29 Jun 90 p 5b

[Interview by Aviva Lori]

[Text] So, in spite of everything there is a television, but it is covered. Yes, in the office of the new minister of communications, Rafael Pinhasi of SHAS [Torah Observing Sefardim], on the second floor of the Central Post Office in Jerusalem, sits a television set.

A faded napkin, not even embroidered, hangs sloppily over the insulted screen of the set. If it could speak it would ask that the new minister and the director general whom he chose to be replaced. It is likely that Minister Pinhasi would request the same, but that would be unpleasant for him.

The television set in the minister of communication's spacious office has been there since the days of his predecessor, Gad Ya'aqobi, who would take a look at it now and then: watching the night and early evening news programs, perhaps even the literary program. But ministers come and go; television is always there. In the meantime, only a few items have been added to the office that indicate the presence of SHAS: an enlarged photo of Rabbi Ovadia Yosef, a few religious books, ritual articles, and a director general. The usual things.

Minister Pinhasi presents a likeable exterior. Not too black. He knows what the secular folks like and he apparently is going to deliver the merchandise. Dera'i is out, Pinhasi is in. Pinhasi will be the favorite on call. He is one of the crowd. He speaks quickly and with ease, in the Hebrew of the people, not of the books. He knows all the expressions. He served in the army and knows that we like to hear it. He dresses in modern fashion. His suit is English in cut: grey with a light stripe; he wears a white shirt and a tie. Some grey hair, a beard. He looks like a smart and favorite uncle that can be relied upon.

Rafael Pinhasi was born in Afghanistan exactly fifty years ago to parents from Buchara, and was raised in a family with many children. He came to Israel with his parents at the age of ten, and since then he and his family have lived in B'nei Brak. "I wasn't raised in an immigrant camp", he laughs. "My parents had some money abroad, so they bought a house in B'nei Brak when they still lived there."

Minister Pinhasi did not complete high school. After two years he had to leave. There were ten children at home and his parents needed help. Pinhasi worked in the

family produce store. To this day, he is known there as the "green grocer". Later he went to the army and served full military service. After his release from the army he went into the diamond business with his brother. They established a family business together. Pinhasi makes sure to emphasize the fact that he managed the business, which employed dozens of workers.

He went into politics in 1974, many years before other members of SHAS even dreamed about positions in government. "I came out with a Sefardic list—Samekh Het (Sakh)—for the B'nai Brak municipality. I was number two. We received two mandates. In the local elections of 1983 we informed Agudat Yisra'el that we were willing to run together in B'nai Brak, but we were rejected. We were forced to run again on a separate Sefardic list: Hai, which I was called upon to head. We received three mandates and I was appointed to deputy mayor.

"In 1984 we formed a list to run for the Knesset, because we saw that local Sefardic lists won various local elections. Then my good friend Arye Der'i entered the picture. The Torah Sages determined the order of the candidates. Rabbi Peretz was put into first place and your faithful servant, Pinhasi, was put into second place. That was a surprise! We received four mandates. We didn't expect that."

[Lori] Did you think you would ever become a minister?

[Pinhasi] "The truth is that I did not think so, but in politics everything is open and everyone wants to advance."

[Lori] Is that advancement for you?

[Pinhasi] "If one is already in politics, and I would prefer not to be, one must aim for key roles, in order to have some influence."

[Lori] How can your influence aid your goals in the ministry of communication?

[Pinhasi] "I think that SHAS, since its establishment, did not concern itself with only its own public. A person who is an envoy of the people must help everyone and not look at the color of his skin. That has always been my policy. Soon you will be able to feel that this minister belongs to the state and not only to SHAS."

[Lori] How do you like the Volvo and the car phone?

[Pinhasi] "I could afford them without being a minister. My brother drives a Volvo. Thank God. That does not impress me. To the contrary, if I wasn't a minister, I would be driving an American car."

[Lori] And the big office, the clerks, the secretaries, the carpets?

[Pinhasi] "I have all that at the diamond exchange. I have an office, a secretary, wall to wall carpeting, and a

prettier view. I did not have to travel an hour every morning and return in the evening, working while on the road."

[Lori] Why did you, in particular, receive the respected position of minister?

[Pinhasi] According to the place on the list. In order of importance, I am second. The first was Rabbi Peretz, who resigned, and I was after him in the list for the Knesset. Dera'i was not a member of the Knesset. I have been in the system for sixteen years already, and my public experience is proven. I have proof. When I was in B'nai Brak I took care of the synagogues and the appointment of rabbis. I was concerned with the entire public. I profess equality. Live and let live and don't only look at your own narrow interest or that of the public that you represent. Thank God, I succeeded in that. The rabbis knew what I did. They were reported to all the time and therefore decided what they decided. But even had they decided otherwise, I would have accepted it."

[Lori] So what did you need this for?

[Pinhasi] I see it as a mission. The moment that the rabbis entrusted me with the position, I see it as an obligation that I must fulfill and I make every effort to do the best I can. Apparently, I'm succeeding; otherwise, why would they keep giving me more and more important positions?

The ministry of communications is in charge of cable broadcasts, Bezek (the Israeli telephone company), the Postal Authority, underground transmission (50 transmitters belonging to the ministry of communications, which are scattered throughout the country), channels, satellite communications, optical fibers, telecommunications, economics, international markets, and computers. Revolutions of imaginary proportions, of which the new minister says: "Praise the Lord, we will succeed. When I took over the ministry, I did not know what it entailed. But now I can tell you that this is not an insignificant ministry. In the short time that I have been here I have already managed to learn. I think that the subjects are near to me and I can learn them quickly. There are very talented professionals in the ministry, like the departing director general. He is truly a professional. I hope that he will assist me as an outside consultant."

[Lori] Why did you have to replace him if he is so talented?

[Pinhasi] "Usually every party wants to give the job to one of its own members. That, by the way, was the decision of the Council of Torah Sages, not my own. The moment that they decided that the director general should come from within the movement, I accepted their decision. For me, it is a shame to have to relinquish the talents of Yitzhaq Ish-Horowitz."

[Lori] By virtue of what qualifications did you choose the new director?

[Pinhasi] "By virtue of his experience in communications. He has worked for the past 20 years for the broadcast authority."

[Lori] But he is a journalist.

[Pinhasi] "Apparently, he also has knowledge in these subjects, but that we will see by his work. Nobody is born with skills."

[Lori] So now there are two new people, a director general and a minister?

[Pinhasi] Yes. We will have to avail ourselves of the professionals in the ministry. We will do it together and do it quickly. Every minister does not have to be an expert in his field. Ehud Olmert is no doctor.

[Lori] If the rabbis, the Council of Torah Sages, will tell you, for example, to stop transmitting broadcasts on the Sabbath, will you do so?

[Pinhasi] "They usually do not interfere. I know that in other ministries they do not tell them what to do. So, I am not worrying. I will not interfere in anything that is not my responsibility. Work permits on the Sabbath are provided by the ministry of labor to anyone who must work. In the coming months you will be pleasantly surprised - you will see that we are not so black."

[Lori] Will the secretaries in the ministry have to dress modestly for work? [Pinhasi] "I did not approach anyone to request that. In my own office they do so anyway. Outside of my own office, anyone can come to work however she likes, as long as her clothing suits her status and her job."

[Lori] Do you have any special plans for your constituents in the ministry?

[Pinhasi] "The public that I represent does not have television at home. I do not have television at home, either, nor do I think I will have one. To the extent that I remember myself and know from other ministers, those who really want to work have no time to watch television. So, in any case I will not have time. If I must, I have a small television in my office that I can watch."

The "trial broadcasts" on the second channel are still the responsibility of the ministry of communications. The intention, as decided in the coalitionary negotiations, is to transfer responsibility for the channel to the prime minister's office. The ten regional radio stations mentioned in the law will apparently be left to the ministry of communications.

[Lori] Do you intend to earmark a few of them for the religious public?

[Pinhasi] "I believe that it will be the responsibility of the cable council to distribute concessions, and then I will have no influence. When could I have influence? If I decided to form a new council. Then I could form it from people close to my own views. Even then, decisions

on content would be made by the council, which would be a public body, and it's not at all certain that I could influence them."

[Lori] What is happening now within SHAS?

[Pinhasi] "We are united as one, except for Rabbi Peretz, who resigned. We have never been as united."

[Lori] If there were elections now, how would you fare?

[Pinhasi] "I cannot prophesize. It is true that the timing is not comfortable for us right now. The public is not overly fond of us. Part of the public blames us for the fall of the government. I believe, however, that if there will be an election campaign, we will be able to provide our constituents with a convincing explanation and will come out strong once again."

[Lori] What do you have to say about the charges toward your friend Minister Dera'i?

[Pinhasi] "I believe that his innocence will become known and that it will be proven to all that an injustice was done him and his forgiveness will have to be asked. He is a talented Jew. This was envy on the part of the press. He was the media's favorite when he did things their way. The moment that he did not provide the merchandise that they had hoped for—a leftist government—the media became hostile toward him."

[Lori] Is that what you really think?

[Pinhasi] "Definitely. The moment that he was man of the year, all the headlines were only Dera'i, Dera'i. The media's favorite. Now everyone is against him. What did they find in him? He just did not give them what they were looking for. We are all behind him."

[Lori] Perhaps he is too young and was blinded by power?

[Pinhasi] "To the contrary. As young as he is, he did his work faithfully, until everyone started to envy him."

[Lori] Do you aspire to become popular like him?

[Pinhasi] "I did not seek that out. I like actions. Now, Minister Dera'i would also prefer to be busier with actions than with the media."

[Lori] Are you a rabbi?

[Pinhasi] "No, but that title is stuck to every religious public servant. I, personally, never use that title, but if others call me rabbi, I cannot prevent them from doing so."

Rafael Pinhasi has seven children and eleven grandchildren. His 17 year old son is studying in a yeshiva, and as long as Torah is his profession, he will not go to the army, says the minister, unless he stops studying. To strengthen his statement he says: "We believe that the

miracle that befell us on the Feast of Weeks (Shavuoth) was by virtue of our psalms. We sat all night and prayed."

[insert] The Qualifications of the Director General

Yitzhaq Ish-Horowitz, the director general of the ministry of communications who was let go, is an electronic engineer with an impressive professional record. He is not sorry about his forced resignation, but he would have replaced himself with a professional. According to Ish-Horowitz: "A minister does not have to be a professional. A director general must be a professional. As of late, the ministry of communications is an extremely innovative and dynamic ministry. The new director general's job will take many years to learn. I fear that his learning period will be longer than his candidacy in the ministry of communications. The problem is that the results of failure or success can only be examined over time, and then it can be too late. I think that this was an error in judgment."

Avraham Doron, the new director general: "When Minister Pinhasi was chosen for the position, everyone asked him about his background in communications, as if he was going to be director general of the Broadcast Authority. The moment that my name came up, all the questions directed toward me deal with technology.

"The ministry of communications deals with various fields and no one person has a command of all of them. Even clearly technological issues have press considerations, not only technical ones. In recent years, the ministry was directed by engineers and jurists, and professional circles criticized the fact that the ministry did not concern itself with content, for example, the content of the cables and the second channel, which the ministry is in charge of. Therefore, it is natural that these subjects will now be taken care of by an outside journalist. Technological developments are so rapid today that even someone with a technical or engineering background cannot keep up with them. Therefore, it does not matter if an engineer heads the ministry or not."

In the ministry of communications it was stated unequivocally that the ministry was not supposed to deal with the content of the cables, which the public council is in charge of, or any other contents.

Yoram Elster, the chairman of the board of Bezek, formerly director general of the ministry of communications: "It appears very important to me that the director general of a ministry as technical as the ministry of communications be knowledgeable and experienced in technical matters. That is a requirement so important that it borders on vital."

**Green Line Defense Unit Formed**

90AE0152A Tel Aviv MA'ARIV in Hebrew 6 Jul 90 p 3b

[Article by Mazel Mu'alem]

[Text] On the evening of May 15, OC Northern Command Major General Yossi Peled, commander of the

northern district of the police, Commissioner Albert Mosfiya, and commander of the valley region, Colonel Danny Tabib arrived at the Gilboa regional council. They came for what was termed an urgent meeting with the representatives of the residents of the Ta'anakh Strip and the Gilboa, following the escalation of sabotage attacks along the green line. The meeting that the residents initiated was difficult. The words thrust before the army and police were strong. They spoke primarily of a real fear to move freely near the homes and of a weakening of the perception of security.

"I am afraid to go out to turn on the sprinklers in the field at night. I do not know what awaits me there," said one of the residents to Major General Peled. They spoke there of large financial losses following arson and the destruction of agricultural equipment. The residents demanded immediate solutions. The meaning of things was clear: the intifadah is alive and well within the green line.

All of the meeting's participants agreed that the matter was serious. The OC Northern Command offered to allocate forces and military resources for the matter. The commander of the valley region joined the offer. An additional adaptation of the idea lead to the building of a plan for the establishment of a new headquarters that would see only to the security of the green line, in which the army, police, border patrol, and residents would be partners. It would initiate activity, demonstrate presence, and constitute a deterrent factor. It was decided that it would be directly subordinate to the commander of the valley region of the police.

One and a half months subsequent to the meeting at the regional council, the green line headquarters is already operating in the field. It is located in Afula and is commanded by a border patrol officer, Superintendent Gadi Lieberman, a member of Kibbutz Afikim who was "pulled" from another position in the border patrol formation for this job. Like Lieberman, tens of other officers and policemen were "pulled" for the new "baby" born of the demands of the hour.

The activity of the green line headquarters started approximately one week ago. It is still difficult to know what its contribution will be, but it is clear to everyone that its people will not have an easy time. Only over the past half a year, 150 various attacks of sabotage were registered in the area, within the green line: the throwing of Molotov cocktails, placement of explosives, arson of fields and establishment of stone blockades. There are those in the police who demand that the things be held in the proper proportions, emphasizing that there is no magical solution. Even if the rise in the level and number of attacks is curbed, this will be an achievement.

The residents along the green line are already speaking of a better feeling. The massive presence of the security forces near their homes and fields invokes an immediate

atmosphere of security. From the residents' perspective, they are a line of confrontation exactly like the residents of the Lebanese border, and they ask to be treated accordingly.

The establishment of the headquarters was swift. Within a few weeks Superintendent Gadi Lieberman surrounded himself with a group of officers and policemen, obtained a vehicle from here and a jeep from there, and started to build a unit-intensive activity around the clock, as exemplified by the presence of regular army security patrols along the green line during all hours of the day, activity against hostile centers during the evening hours, and the use intelligence information. When necessary, they even make use of the police helicopter. A real border. According to Superintendent Lieberman, the primary goal is to restore security to the residents. "It is important that we, the security forces, become the target, and not the residents."

The veteran residents of the area say that the situation is similar to that prior to the Six Day War, after which came long years of quiet. But then the intifadah came and destroyed everything. The wandering of the nationalist activity into the green line is on the rise and security elements expect it to continue. But with anything related to human lives, no one is willing to take risks; until now it has been only luck that has prevented loss of life.

A morning patrol with the commander of the green line headquarters along the line. On the way burnt areas are evident and above the homes of the Arab villages, both beyond and within the line, black flags that were hung after the murder of the seven Arabs in Rish'on-Letzion are still waving.

In Mi'Ami we meet Arik Lavi, a resident of Talmi El'azar, who serves as the security officer of the 12.5 thousand residents of the region. Most of them live on the green line. Arik tells of long months of dealing with sabotage attacks, the arson of fields, stone barricades, and other original attempts at sabotage, such as a thick cable that was stretched between two trees in the path of an open jeep, at the height of the passengers' necks. And there is forest no. nine, which has been set on fire 15 times already.

Arik: "The attack is primarily one of morale. You see the black smoke of burning tires near your home and it makes you feel bad. In effect, we have felt helpless against this phenomenon, and we definitely have expectations from Gadi's group. We will help them and work together."

Arik joins the patrol. We pass by the Umm-Rayhan forest, one of the most beautiful in Israel. "Here we would spend all our free time. Today, no one goes near here, and sees how beautiful it is," says Arik. According to him, the escalation comes in cycles. "They succeed in putting us to sleep, but it always continues to strike. Every morning I say to my wife: Today they will for certain start the wars again. My forecast is that there will be no quiet here in the coming years."

We arrive at the settlement of Qatzir, where approximately half a year ago an explosive device was placed in the yard of one of the homes. The homes in Qatzir are small, surrounded with yards with lots of greenery. The settlement borders the green line. In the yard of the house where the device was placed, the remnants of the explosion are still evident. Arik: "Quality of life is not just a pretty garden. It also means not fearing sitting in your living room at night and sending the kids outside. Going out for picnics. My feeling is that matters are going in the direction of fear, and this must not happen."

The commander of the valley region, Colonel Danny Tabib, speaks of a change in the regions's priorities: "Right now, the burning issue is the green line. From our perspective, every event there with a nationalist motivation, even the throwing of a stone, is like murder, and will be treated accordingly."

#### **Quality of Radio Monte Carlo Reporting Assessed**

*90AE0132B Tel Aviv YEDI'OT AHARONOT  
in Hebrew 22 Jun 90 pp 17, 19*

[Article by 'Uzi Mahniyami]

[Text] The incident could have been taken from a surrealistic film that describes how a war is unintentionally started between Israel and the Arab countries. Radio Monte Carlo's noon-time news program editor was having difficulties filling up the noon edition last Wednesday, because so little was happening. "Call Hoda' Tawfiq in Washington. Have her transmit something," he ordered his personnel.

Hoda' Tawfiq has known better days at the station, when she was its correspondent in Cairo. She now serves mainly as a jack-of-all-trades to fill in air time. In her monotonous, nerve-wracking voice, she broadcasts for long minutes, and it is impossible to stop her verbiage. Several minutes before the station gets Washington on the line, a call is received from Cairo.

On the line was Mustafa Bakri, the station's reporter in Cairo. In an excited voice, he urgently requests to speak to the editor. "I have an excellent scoop," Bakri reported, "It has become known to me from reliable sources that Israel has concentrated armored and infantry units on its southern border in preparation for an attack against an Arab state."

The item was broadcast on the 3:00 p.m. news edition. It was picked up simultaneously by the radio of a taxi driver in Cairo, by a member of the government in Damascus, by people sitting in coffee houses in Baghdad, and by the intifadah youths in the West Bank. Aharon Barne'a, the Arab affairs correspondent of QOL YISRA'EL [Voice of Israel] radio station also heard the report.

Four hours later, the dramatic news story opened QOL YISRA'EL's evening news program, making the state jump. Newspaper news editors were trampled. Reporters

were sent to record the reactions of the IDF [Israel Defense Forces] spokesman, the chief of general staff, and the prime minister. The denials reduced the tension, but not the curiosity.

This story, a journalistic canard from the reservoir of canards of the station's reporter in Cairo, was muzzled on Radio Monte Carlo on the same day it was broadcast. At 6:00 p.m., editors were rotated, and George Qardahi, the station's night news editor, arrived. Qardahi, a handsome Maronite Christian from the same graduating class as the late Bashir al-Jumayyil, and the former chief news reader of Lebanese Television, removed the item from the broadcast.

Since hiring Mustafa Bakri several months before, Qardahi had already been burned: Immediately after the murder of the seven Palestinians in Rish'on Letziyon, the reporter in Cairo had reported to tens of millions of Monte Carlo listeners that the murder was planned by no less and no more than four IDF officers under the command of Ari'el Sharon. After the report was broadcast, under the supervision of another editor, Qardahi understood that it had greatly damaged the station's reputation, and he strongly reprimanded Bakri.

The truth is that the canards from Cairo were an injustice to the station, which broadcasts in Arabic from morning to evening, and is considered the most listened to radio station in the Middle East. Contrary to a widespread misconception, Radio Monte Carlo does not broadcast from Monte Carlo, but from a modest studio in Paris on Foncera [as published] Avenue in Quarter 16. Amplifiers in Cyprus ensure that the broadcasts have good reception throughout the Middle East.

For tens of millions of Arabs from Baghdad to Tunis, Monte Carlo is the young and refreshing alternative to the dreary radio stations of the Arab countries. How much can one listen to live broadcasts of prayers from the mosques and boring discussions about religious matters? To what degree can taxi drivers and coffee house patrons in Amman suffer such broadcasts as "and now, the news from Amman—today, the king visited...."

How much propaganda and praise of President Saddam Husayn can the Iraqi tolerate? When the Iraqi is inside his home or car, he switches immediately to Radio Monte Carlo. Or, if he desires the Iraqi "Giv'atron," he will switch to Israel's broadcasts in Arabic, to hear the respected program of Iraqi songs of Shafiq Gaba'i.

Radio Monte Carlo had its start in the late 1960s in Monte Carlo as a station that broadcast only pop music. In the early 1970s, the station was moved to Paris, and it was purchased by the French Government, which also currently holds part of its shares. Several Lebanese students were hired, who began to broadcast, relying mostly on material from the news agencies. The purpose was to imitate the BBC and acquire a powerful propaganda tool in the east.

Every listener in the Middle East who adjusts his dial to 1232 kilohertz, will hear western pop music, songs sung by musical stars of the Arab world, programs with a greetings/music format, news programs, and catchy advertising. In listener surveys, Monte Carlo is even ahead of QOL YISRA'EL's Arabic-language broadcasts, which for many years topped listener rating charts in the Arab world.

For years, Monte Carlo has been joined by excellent reporters. Shortly after it began broadcasting, it managed to post a reporter in almost every important Arab capital. These correspondents reported up-to-date, reliable information on four main news broadcasts and the news flashes between them.

When George Bashir reported live from Beirut while it was being shelled, the Arab public knew what was happening in the city before its governments did. Hasan al-Kashif used to report from Baghdad every evening on the day's battles in the Gulf War. Experienced listeners can learn about the situation in Damascus from what is said, or not said, in the reports of veteran reporter Lewis Faris, who is Asad's mouthpiece.

Since the intifadah began, the station has also become a primary source of information for residents of the territories, who are otherwise fed censored newspapers and tendentious broadcasts on QOL ISRAEL. In recent weeks, for the first time, a new reporter, Abu-Samiyah, has begun to broadcast from the "occupied territories," as they are called on the broadcasts. Abu-Samiyah is liable to present a complicated professional challenge to the IDF spokesman, thanks to the quality of his sources and work, and the fact that he spends long hours in the field.

The first to perceive the power and influence of the station were the PLO's propaganda specialists. In recent years, particularly since the start of the intifadah, the station has been enlisted in the service of the Palestinian cause. The Palestinization of Monte Carlo is attributed to its former editor, Antoine Nawfal, or "brother Antoine," as Yasir 'Arafat affectionately calls him in the frequent interviews that 'Arafat has granted to the station.

'Arafat has merited the frequent repetition of his promise that "we are a quarter of an hour away from independence, and soon, the flag of Palestine will fly over the mosques and churches of Jerusalem." Nabil Darwish, brother of poet Mahmud Darwish, an advisor of 'Arafat, received the post of chief of the Palestine desk at the station.

The Government of Israel complained to the French Government, and in late 1989, there was a shake-up at the station. The entire veteran team, including Antoine Nawfal, Nabil Darwish, George Bashir, the correspondent in Beirut, the correspondent in Washington, and others were dismissed. Some view the change as an

internal shake-up of reporters that wanted a more objective station, and some claim that external pressures, primarily Israeli, were responsible.

The new French manager of the station, Jacques Taka, maintains that the changes stemmed from economic constraints entailed by about 60 million francs in losses incurred by the station last year. Antoine Nawfal, who received a monthly salary of \$20,000, was dismissed in the scope of the cut-backs, along with other employees who received lower salaries.

The station no longer hires reporters on a monthly salary, only free-lance reporters. Nawfal is now the editor of an Arab newspaper published in Paris, and Nabil Darwish heads the editorial team at the official French radio station that broadcasts to the Arab world.

Few know how greatly Radio Monte Carlo influences Israeli readers, listeners, and observers. For Arab affairs reporters in the Israeli media, the station's broadcasts serve as a primary, if not sole, source of information on events in the Arab countries. When Israeli radio or television stations report that sources in Amman have reported bloody riots in southern Jordan, these sources are usually filed by Ms. Randah Habib, Monte Carlo's reliable correspondent in Jordan.

When reporters cite diplomatic sources in Damascus, they usually mean Lewis Faris, the station's correspondent in the Syrian capital. When the newspapers' headlines report on remarks made by the Saudi crown prince to reporters in Riyad, they are usually quoting 'Abdallah Shahri, Monte Carlo's correspondent in Saudi Arabia.

In the first months after the shake-up at the station, a decline in the level of broadcasts occurred, and the fictitious stories of the new correspondent in Cairo brought Radio Monte Carlo to the lowest point in its history. Outwardly, it seems that the station has already reached its peak, especially as Arab radio stations are improving. However, in the meantime, the station continues to maintain its listenership records in the Arab world and in the territories.

[Box on p 7]

#### Not an Error, but Information Warfare

Who was served by the false report transmitted last week by the Radio Monte Carlo reporter from Cairo? Who was interested in alarming the Middle East with a story about concentrations of Israeli Army forces in the south?

The weekly SAWT AL-ARAB [Voice of the Arabs], financed by Iraq and published in Paris, disclosed two weeks ago the secrets of the "IDF's planned offensive against Libya in response to the Abu-al-'Abbas operation." The industrious reporter cited for his readers no less than the protocols of secret meetings of the Israeli chief of general staff, the prime minister, and the Intelligence Corps leadership. Who was the reporter who

signed the report? Our friend Mustafa Bakri of course, the Monte Carlo correspondent.

It seems that the Iraqis, who are leaders in information warfare in the Middle East, are using the services of Bakri and other reporters to inflame war hysteria following the change in government in Israel.

Information warfare is divided into two areas, psychological warfare and deception. Deception is erroneous information directed at enemy intelligence services and governments. Psychological warfare is aimed at a broad audience. It is customary to call information warfare "disinformation," although propaganda objectives can also be achieved by exploiting true information.

We all had a chance to recently see information warfare in action. Israeli radio and television broadcast the interview with the terrorist from the Abu-al-'Abbas organization, who landed on the Nitzanim Beach during the Feast of Weeks. The man was asked simple questions, and it can be assumed that most of his statements were true. His remarks were picked up in the Arab states and in other places.

The vast majority of the terrorist's remarks were intended for a broad target audience. This is psychological warfare. It is also probable that, here and there, an intimation was mixed in intended to be picked up by intelligence services or governments. This is deception.

Another example: The press publications on the Iraqis "Judgement Day Cannon." It is not clear who was responsible for these publications. However, one can guess that the systematic publications that led to the disclosure of Iraqi intentions through large media, such as U.S. television networks, were not coincidental.

No journalist, however diligent, could independently uncover the seizure of the Iraqi cannon parts at British ports, and later in Italy and Turkey. The aim of the disclosing party, which used information warfare in this case, was clearly to embarrass the Iraqis and publicize, to the public and governments of the world, Iraqi efforts to acquire a strategic weapon.

The Iraqis felt threatened. Their president suspected that Israel and the United States had initiated an information war in preparation for a true war. Therefore, Saddam Husayn threatened "to burn half of Israel," which shows how inappropriate doses of information warfare are liable to cause a real war.

#### JORDAN

##### Information Minister on Freedom of Press, Politics

90AE0179A London AL-MAJALLAH  
in Arabic 10 Jul 90 p 23

[Interview with Information Minister Ibrahim 'Izz-al-Din by Bashir Muhammad: "Confrontation Countries Fifth Summit Unlikely"; in Amman, date not specified]

[Text] The Jordanian arena has recently witnessed a number of successive political developments that gave rise to some important events such as the holding of parliamentary elections and the reexamination of the status of the information media. AL-MAJALLAH correspondent in Amman Bashir Muhammad met with Jordanian Minister of Information Ibrahim 'Izz-al-Din to talk with him about the Jordanian information media and the situation in the region in general.

[Muhammad] Amid the democratic openness Jordan is now witnessing, is there an information plan that is in keeping with the new spirit in Jordan?

[Izz-al-Din] Yes, we do have a new information media spirit and a new media orientation that is in keeping with the new democratic life our country is now living. The Jordanian press is now free and overseen by its own managers and editors-in-chief. Those who follow this press can perceive this fact through the political editorials and opposing opinions published in it on a large number of topics. Furthermore, the government offers all kinds of facilities to foreign press correspondents in the West and to all foreigners so that they may transmit a true picture of Jordan to the outside with a large degree of professional objectivity and accuracy. As for the official media, it has undergone a major change as well. For example, the Jordanian News Agency has more freedom now in terms of the kind of news and topics it can carry. Moreover, television is now actively independent and transmits honestly and accurately a more universal picture about Jordanian society as well as other opposing opinions. For the present state prescribes this kind of attitude in the information media, and the Jordanian public has a better understanding of the role the media plays. It is noted that the information process is more positive now than it had been in the past.

[Muhammad] Is there a plan to set up a foreign press club like the rest of the other countries?

[Izz-al-Din] The government offers all sorts of facilities to the foreign media. As for setting up a foreign press club, this is their affair and if the foreign press representatives wish to have a club, the government has no objection, but they have to take the initiative, especially in view of the large number of Arab and foreign correspondents.

[Muhammad] What is the latest on the new Jordanian press law and what are its features, especially since it came at a time when the Jordanian press is experiencing total freedom and openness?

[Izz-al-Din] The law is ready and is in its first draft. After the Bairam holiday it will be presented to the editors-in-chief and the Reporters Guild for thorough examination in preparation for its enactment. The new law is sophisticated and is in keeping with the new stage our country is going through. It enhances freedom of the press and also protects people from tabloid journalism.

The courts will be the arbiter in all press cases. Furthermore, we will not stand for tabloid journalism. We welcome an objective and discerning press that reflects a clear political viewpoint.

[Muhammad] Jordan needs more newspapers and a political weekly. When will new licenses be granted?

[Izz-al-Din] We are waiting for the national charter that regulates partisan and political action to come out. When this happens, a large number of political publications and daily and weekly newspapers will be published in view of the many applications the ministry has received. There will be daily newspapers published by political parties that will come into being, and we will allow daily newspapers to be published by individuals who do not belong to a party. Thereafter, the picture will be come perfectly clear in terms of the press.

[Muhammad] What are the objectives of the recently-formed National Guidance Council?

[Izz-al-Din] This council has been created to assist the Ministry of Information in implementing information policy and in exploring the future development of other information agencies. Right now we want a free and open information system able to keep up with the democratic changes that are taking place in our country.

[Muhammad] What is your assessment of the situation in the area in light of recent developments, the most significant of which are the formation of the new Shamir government and the American administration's decision to halt the dialogue with the PLO?

[Izz-al-Din] At this point the region is being pulled in different directions, and this is nothing new. We freed ourselves of colonialist control and entered a new struggle with world Zionism. But we seem to be going through a real tension that has been growing recently for several important reasons: Israel's categorical rejection of any peace plan that includes the PLO and its out-and-out refusal to withdraw from occupied Arab territory. This Israeli stance, which has become more hard line with the formation of the new Shamir government, has pushed the region into a constant state of tension, especially since it has not been met with a deterrent American position, but rather by one that supports it and is hostile to the PLO and the Arabs. The U.S. stance of suspending the dialogue with the PLO has directly contributed to the unlikelihood of achieving peace in the region. But this stance and the wide-spread tension in the area notwithstanding, we are pinning great hopes on the European position, in the wake of the recent Dublin Summit resolutions in particular. This position supports the rights of the Palestinian people, including their right to self-determination and has culminated in the decision to have a permanent representative in the occupied territories. This too calls for Arab action in the European arena to support and further it.

[Muhammad] How do you view the Arab position vis-a-vis these challenges. Do you not think it is weak and equivocal?

[Izz-al-Din] We cannot describe the Arab position as weak, especially following the Baghdad Summit that issued historic resolutions. There is agreement on universal Arab action and there is ongoing and uninterrupted coordination among the effective countries in the region, those that are directly affected by this tension in particular. Arab action is effective and has a clear impact on numerous issues, but, due to international considerations that are forced upon us, it is slow.

[Muhammad] Does Jordan plan to take action in the next few days to forge an Arab position among the five confrontation countries in particular?

[Izz-al-Din] King Husayn is in constant and direct contact with the Arab leaders to keep them informed of the situation. I think that after the Bairam holiday he plans to make several visits to some Arab countries. As for holding a summit of the five confrontation countries, I do not think it figures in his calculations because, given the fact that the Zionist danger is a threat to the entire Arab nation without exception, action and coordination must be universal.

#### New Law Allows Draft Exemption in Exchange for Money

*90AE0122A Paris AL-YAWM AL-SABI'*  
*in Arabic 25 Jun 90 p 22*

[Article: "Political Affairs: Jordan Law Allowing Draft Exemption for a Fee Passed. National Service, With Men or Money?"]

[Text] The Jordanian Parliament recently agreed to exempt Jordanian expatriates from the draft for a fee. The parliamentary debates brought to light two tendencies, one of which came out against the payment of a fee and insisted on military service and the other believed that the fee is no less important than military service itself.

The Jordanian Parliament has settled an important issue that had preoccupied public opinion ever since the democratic transformation phase got under way in Jordan about seven months ago.

The issue comes down to one question with two possible answers: Are Jordanian expatriates entitled to draft exemption in exchange for a fee or not?

The lengthy discussion in parliament brought to light two points of view pulling in different directions, each with its own supporters and followers. The first point of view is that the draft is a national and patriotic duty that should not be replaced by a fee, especially at a stage when Jordan is facing grave dangers and is open to serious threats from Israel that makes no secret of its desire to

deal a military blow to Jordan aimed at changing the area's landmarks, politically and militarily.

The second point of view has to do with the economic crisis Jordan has been experiencing ever since the dinar tumbled against the hard currencies toward the end of 1987 when the government began looking for financial sources to reduce the growing burdens the state budget was facing at the time.

The proposal to take advantage of the presence of Jordanian expatriates (of draft age) abroad was supposed to be one way to save the treasury \$40 million a year at a rate of \$10,000 every expatriate of draft age wishing to obtain a draft exemption.

The parliamentary debates reflected two conflicting points of view, one calling for adherence to the draft and the other for taking advantage of fees paid by expatriates to enhance the economic situation in the country.

Deputy Zawqan al-Hindawi (former deputy prime minister) said: "Not all people working abroad are subject to the draft. People working outside the kingdom fall into two categories: the larger category that represents the majority who are not subject to the draft law because they are past the legal age and the smaller category for whom the amendment was intended. These are the people who hold jobs outside the country but do not have approval to defer their military service, not because the law denies them this right, but because for one reason or another, they do not wish to obtain such approval that would allow them to work abroad for a period of 12 to 15 years after they graduate from college."

Deputy al-Hindawi went on to say: "Draft exemption for expatriates for a fee means the codification of a caste system among members of the one people and the one country. This proposed law encourages the establishment of a class imbued with concepts and values which in time move away from the standards of true belonging and the public interest. It is fear that for a small sum of money this group would become estranged from the homeland and expatriates would come to their homeland strictly as tourists to check on their properties, farms, and wealth."

Deputy 'Abd-al-Salam Furayhat believes, however, that the draft amendment bill is unconstitutional. For Article 6 of the Constitution stipulates that "Jordanians are equal under the law. They have the same rights and duties without discrimination. This law is in contravention of the constitutional rule, for it allows discrimination on the basis of geographic location, place of residence or place of work." Deputy Furayhat added: "From an objective point of view, the law does not achieve social justice and does not serve the national unity objective that is our motto. Rather, it leaves behind negative social impressions and demoralizes the citizens who have implanted themselves in the fatherland."

Furayhat raised this question: "Why not defer the draft year by year for the people who hold jobs outside the

country in exchange for a fee for each year of deferment and, thereupon, they would come back to perform their military service."

In a brief interjection, deputy Yusuf al-Azim of the Islamic Tendency said: "It is unfortunate that our economic situation has a dominant influence over a large number of our positions, including the one under discussion which deprives some of us of the honor of defending the homeland."

Deputy Jamal al-Khurayshah suggested that military service ought to be frozen on grounds that military service is a national service with its own special dimensions. It came at a special time when the draft was not popular. Thus, the circumstances that had created military service ended and there was an intense receptivity to regular military service, which contradicted the need for compulsory service.

Deputy Muhammad al-Alawinah was speaking for the deputies Matir al-Bustanji, 'Awni al-Bashir, Ziyad Abu-Mahfuz, Mahmud Huwaymil, Jamal al-Sarayirah and 'Atif al-Battush when he said; "We have been destined in this country to be our nation's shield (...). Military service is the duty of every able individual and it must be undertaken willingly and enthusiastically. National service, however, can be realized through a number of domains, and we support the idea of charging expatriates a fee provided that a specific sum is set for each person while emphasizing the fact that he who takes part in the holy war is a freedom fighter, according to the prophet's tradition that said: 'He who recruits an invader, invades.'"

Shaykh 'Abd-al-Mun'im Abu-Zanat said: "Given the fact that Jordan has over 40,000 expatriates abroad, we have to win over their children and protect them against expatriation or we will lose them. Therefore, I believe that charging a reasonable exemption fee has its merits because it allows us to safeguard national belonging instead of having the expatriates scrambling to acquire foreign citizenship that drowns them in the quagmire of debauchery and immorality which compels them to sever their ties with their families and their fatherland as hundreds of those who have taken out foreign citizenship have done. A reasonable fee can alleviate the widespread unemployment, generate hard currency for the treasury, and also encourage expatriates to come back every year. This is a great psychological gain as well as a material one that creates much needed liquidity."

At the end of the debate, the Parliament passed the draft law amendment that included the agreement to exempt expatriates from military service because citizens working abroad have job opportunities that must be preserved to safeguard the public interest and the expatriates' personal interests as well. To help them hold on to these jobs, the decision has been made to exempt expatriates and their children from military service in

exchange for a fee paid to the public treasury, leaving it up to the government to determine the amount and method of payment.

Prime Minister Madar Badran announced that the government is leaning toward a draft exemption fee of \$10,000 per person.

#### Balance of Payment Figures Questioned

90AE0134A London AL-SHARQ AL-AWSAT  
in Arabic 4 Jul 90 p 9

[Article by Dr. Fahid al-Fanik: "Original Accounting Behind Jordanian Balance of Payments 'Surplus'"]

[Text] The Jordanian Central Bank has put out a preliminary 1989 balance of payments report subject to modification. The balance gave astounding results that raise some questions and the possibility of a faulty accounting method.

The balance of payment figures, as is, show that Jordan has turned into a surplus country overnight. For the current account, that showed a deficit of 118 million dinars in 1987 and 105 million in 1988, which the government was planning to reduce gradually over 5 years, suddenly and for no apparent reason turned into a 223 million dinar surplus in 1989, or a net gain of 328 million dinars.

Even though a lower exchange rate for the dinar ought to improve the balance of goods and services (or the overall balance of trade) and, notwithstanding that putting the Jordanian economy back on track ought to be reflected in a tangible improvement in the balance of payments, it is highly unlikely that the improvement has reached such a result. It may be due to a faulty accounting method or to deficient data the Central Bank has received, collected or just estimated.

It may be understandable that the balance of trade goods (imported and exported) should drop from 638 million dinars in 1988 to 577 million in 1989, or by 61 million dinars. But it is difficult in the meantime to understand the secret behind the 128 million dinar improvement in the balance of payments, particularly since the minister of health had projected a decline in the 1989 balance of payments but at a lower rate than the improvement in the balance of goods, whereby the total picture would remain positive.

Balance of payments data show that incoming Jordanian expatriate remittances have gone up by seven percent (calculated in dinars) while outgoing foreign labor remittances have dropped nine percent, results that are at variance with prevailing impressions, albeit this is not a good enough excuse to discard them.

The capital account shows a large surplus as well in 1989 for the treasury paid about 223 million dinars toward its foreign debts and borrowed 348 million dinars, hence the net loans for the year were roughly 125 million

dinars. This result, if accurate, which was reached by rescheduling the debts and part of the new loans, may be a matter of capitalizing the interest and adding it to the loans.

It seems to me that what made the balance of payments show some strong results is the difference in the rate of exchange. For foreign assets were valued at current rates of exchange, hence the higher figure, but foreign liabilities were not revalued or the government liability item would have otherwise shown a tremendous jump.

On the other hand, we believe that monetary sector figures that showed a surplus of 360 million dinars may have stemmed for the most part from computing foreign assets more than once because local banks have reciprocal foreign deposits, and 35 percent of foreign bank assets are deposited with the Central Bank and must not be computed twice, especially since the Central Bank regards its contra liabilities as money owed to residents and are not part of its foreign liabilities.

By and large, the 1989 Jordanian balance of payments is not convincing. One needs to explain on what basis the changes in assets and liabilities of the government, the commercial banks and the Central Bank were calculated. Otherwise, it cannot be used as an instrument for formulating economic policies in 1990 or else the economic adjustment program would stop being an issue.

And so long as the objective behind the balance of payments is to outline our transactions with the outside world, it is hoped that the Central Bank will publish the balance of payments in dollars (besides dinars) to avert the revaluation problem and all other flaws stemming from comparing figures computed at different rates of exchange, especially when the difference is 77 percent due to a 44 percent drop in the dinar's value. The most significant paradox in such a comparison is to say that Jordan's imports have risen by 12 percent, calculated in dollars, and that the balance of payments went up 19 percent, calculated in dinars.

Central Bank officials maintain that foreign assets were not calculated more than once. They admit, however, that Jordanian government foreign currency liabilities were kept for balance of payments purposes in their original values in dinars, as they were when they were withdrawn, regardless of the lower dinar value, and that interest capitalization, according to the rescheduling agreement, in the amount of about \$700 million was not taken into account "because the balance of payments is regulated on a monetary basis to reflect actual transactions while interest capitalization was a paper transaction requiring no money received or paid."

Should the Central Bank deal in late interest capitalization, as did the IMF advisors, the current account surplus would turn into a more than 177 million dinar deficit, keeping in mind that the dollar value of the Jordanian 1989 balance of payments prepared by IMF advisors shows a close to \$60 million deficit, which is still good and is a more convincing result.

## KUWAIT

### Labor Leaders Discuss Oil Workers' Demands

90AE0173A Kuwait AL-WATAN in Arabic  
23 Jul 90 p 13

[Article: "Trade Unionists and Workers Demand Realization of Oil Sector Workers' Demands"]

[Text] Many trade unionists and workers have expressed their satisfaction over intensive efforts being made to solve the problems of oil sector employees. They have also expressed happiness over directives by His Highness the Heir Apparent, Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah, that officials should restore the yearly merit increase to its previous figure of 7.5 percent. The trade unionists affirmed that the oil sector is vital and that it is very important to prepare a suitable climate for work and production.

Muhammad al-'Usaymi, former head of the Kuwait General Union of Workers and one of the union cadres concerned with issues of the Kuwaiti trade union movement, telephoned and expressed optimism that all the problems of oil sector employees would soon be solved. He placed emphasis on the method of dialogue and negotiations and following friendly methods, along with emphasizing the rights of workers and great concern for the country's welfare, which is above every other consideration. He indicated that he is following with extreme interest the intensive efforts by trade unionists to find just solutions to the problems of oil workers. He said that the method of negotiations has tremendous possibilities and that workers' demands can be realized by it. He also asked that retired workers be returned to their positions and that their long experience in this area be taken advantage of, particularly since this basically means taking an interest in the native work force.

Salim al-Murri, a member of the executive council of the Petroleum Workers' Union, emphasized the need to implement the oil workers' basic demands, especially the yearly merit increase, the pay increase for danger and for shift, unification of the salary scale, and the building of a hospital for oil workers. He stated that the petroleum union rejects any tampering with the yearly merit increase. He said that they were satisfied with the directives of His Highness the Heir Apparent on the subject. Officials in the Ministry of Social Affairs and the Kuwait Petroleum Corporation should implement His Highness' directives without delay.

He said that a large number of workers were in constant contact with the union to learn how far the negotiations and developments have gone. Although they understood the position of the Kuwait Petroleum Corporation, they continued to hold to their position that oil workers' legitimate and just demands must be implemented.

Ibrahim 'Abdallah 'Ali said that the oil sector has been unfairly treated, because it has seen no change in wages over the past two years. Officials, therefore, ought to take

account of the just demands of employees in the oil sector. Workers should rally around the union leadership until their demands are achieved in accordance with the interests of the country and their own interests.

Rajih al-Hajiri, a member of the executive council of the Petroleum Workers' Union, said that they were on the side of workers' rights. He denied that they were calling for a strike, as some had rumored. Rather, they had continually stressed their good intentions and the achievement of demands through negotiations and serious and responsible discussion and wanted a solution as quickly as possible in accordance with the desire of employees. He indicated that everyone was optimistic that the demands would be realized following the directives of His Highness the Heir Apparent, Prime Minister Shaykh Sa'd al-Abdallah al-Salim al-Sabah. What was now required was that representatives of the Ministry of [Social] Affairs and the Kuwait Petroleum Corporation be given the powers that would enable them to make a decision on those demands.

## LEBANON

### Amin al-Jumayyil Interviewed on His Presidency

90AE0165A London AL-MAJALLAH  
in Arabic 3, 10 Jul 90

[Interview by Ilyas Harfush in Paris; date not specified]

[3 Jul 90 pp 20-25]

[Text] Two years ago, former Lebanese President Amin al-Jumayyil was still in the presidential palace at Ba'bda, and Lebanon was experiencing feverish preparations for presidential elections. The question on everyone's lips was: Will the tenure end without a new president, or will it end without a republic? The republic persevered, but the tenure ended without a president, a precedent in the history of independent Lebanon. However, it was not the only precedent in President al-Jumayyil's tenure, which is filed with precedents: He was the first party-liner president to govern Lebanon; he was Lebanon's youngest president (he was 40 when he assumed office); his tenure witnessed the first official negotiations ever conducted between Lebanon and Israel, which ended in his refusal to ratify the agreement that was reached even though the Lebanese Chamber of Deputies approved the agreement; he held more summit meetings (12) than any of his predecessors with the Syrian President, Hafiz al-Asad, who once said that al-Jumayyil is the best president that Lebanon has known; and other precedents.

President al-Jumayyil left Ba'bda and East Beirut, spending more than a year at American universities resting from the political stress in the calm of academic research before returning to Paris a while ago to continue his political contacts and to prepare, as he says, a political program for restoring the common ground among Lebanese when the combatants weary and lay down their arms.

During this period, many—both supporters and opponents—have dealt with President al-Jumayyil's tenure. Personal and political accusations have been levelled at him, while politicians and supporters have rushed to defend him and respond to the campaigns being waged against him. Advisors have turned their attention to writing their memoirs about the events, which, they say, they shared in producing at his side. President al-Jumayyil himself has sought to avoid press interviews, except for a few statements, but he has written a number of articles for foreign newspapers, the most recent being an article on the Lebanese crisis for the French LE MONDE.

This exclusive interview with AL-MAJALLAH is the first comprehensive interview in which he deals with salient historical aspects of his tenure, including his relations with Syria, his contacts with President al-Asad, the 17 May agreement, the circumstances surrounding the signing of that agreement and its non-ratification, the U.S. role in Lebanon during his tenure, his relations—described as excellent—with the Palestinian resistance, the economic situation, the reasons for the collapse of the Lebanese pound, his attitude on the policy of the Phalange Party in light of its current leadership, and the influence exercised by the Lebanese Forces on the decisions of the Phalange Party leadership. The only topic into which President al-Jumayyil preferred not to enter is the war being waged in East Beirut between the military prime minister, General Michel 'Awn, and the commander of the Lebanese Forces, Dr. Samir Ja'ja'. Al-Jumayyil considers this a futile, meaningless war. Nonetheless, our interview with him inevitably began where his tenure ended, i.e., with the last decree that he signed, which appointed 'Awn prime minister of the military government. The following is the first of a two-part interview with al-Jumayyil:

[Harfush] Some believe that your final decision at the end of your tenure to appoint Gen 'Awn to head the military government, and thereby fill the constitutional vacuum, was a prelude to the crises and fighting that subsequently erupted in Lebanon. Why did you make this decision? Was it the only possible decision at the time?

[Al-Jumayyil] It is a mistake to think that I appointed Gen Michel 'Awn prime minister. I appointed the military council as a government that was to be collectively responsible for ensuring the election of a new president and administering the country's affairs until presidential elections occurred in order to prevent a vacuum. Pursuant to the Lebanese constitution, a transitional government, upon the vacancy of the presidency, shall act in unison and be jointly responsible. No member of this government has special rights or mandates at the expense of other members. This includes the prime minister, whose function is limited to convening and chairing meetings, whereas decisions must be made by agreement. The goal, therefore, was to provide for a transitional phase through a collectively responsible government, not through the prime minister. We should also

mention the very trying circumstances under which this government was formed. The election of a new president was impossible despite all of the attempts to form a transitional government, including the attempt by former President Charles Hilu, which was followed by the attempt of former minister and deputy Pierre Hilu, who is distinguished by his close relations with all Lebanese leaders and parties, but who was also unable to form a government. Concurrently, an important effort was also made to have the government of Prime Minister Salim al-Huss continue to bear its responsibilities. Moreover, we asked Prime Minister al-Huss to change the government, before it was appointed to cover the transitional phase, because of the need to correct the imbalance stemming from the loss of President Camille Sham'un and Shaykh Pierre al-Jumayyil. This change required an adjustment of the Christian representation in exchange for the presence in the government of Walid Junblatt and Nabih Barri, so that the appointment of the government would not be completely rejected by leaders not represented in it. However, President al-Huss rejected the request for reasons unknown to me. He did not try to understand this matter and insisted on a government that, had it been appointed, would have led to the division of the country, because a large group of people would not regard such a government as representing them and would have refused to cooperate with it.

After all of these attempts, we found ourselves facing a dilemma. I began to think of a way to provide for the transitional phase. My national duty and constitutional responsibilities required me to form a government. By nature, I am a man of institutions. I have always worked through constitutional institutions and against random and *fait accompli* solutions. I have always been naturally inclined toward national and constitutional institutions that unite all groups. There were many institutions that have this character. However, we had to choose an institution that can protect itself vis-a-vis the militias and existing forces. The choice fell on the military council, a national institution that was formed by the government of Prime Minister Rashid Karami with the approval of Prime Minister al-Huss. This council enjoyed the confidence of all groups in the Lebanese arena. The six Army officers composing it represent all Lebanese parties and have links with all Lebanese groups, which protected the Army for a long period from conflicts in Lebanon and was a reason for appointing the military council to serve collectively. The mandate of the members is within the framework of a jointly responsible government. None of the military ministers has a mandate at the expense of another, nor do any of them, including the prime minister, have special right at the expense of the other ministers. This is provided for under Lebanese law. In my view, this was the best solution for preserving the unity of the country and its institutions, and conducting a dialogue with all parties to ensure the quick election of a new president and the restoration of legitimate, constitutional institutions. Before taking this step, I personally contacted members

of the military council and informed them of my desire for the military council to become the transitional government. None of them objected. In light of that, I regarded this as the most suitable solution, especially since members of the council had natural relations with the fraternal Syrians and could continue the dialogue with Syria, which had a primary role in that phase. However, after the military council was appointed to administer the country as a jointly responsible transition government on the last day of my tenure, I heard over the radio on the next day that the three Muslim ministers had excused themselves. This resignation, in my opinion, was an irresponsible act that pushed the country toward the edge of the abyss, especially since this solution was the best solution and the only one that could ensure the interests of everyone and the interests of Lebanon. This resignation also helped to transform the government into a factional ministry that acted forcibly in a semi-dictatorial manner because of the loss of balance.

[Harfush] Do you believe that the continued presence of the three Muslim ministers in the government could have guaranteed against the fighting, or the so-called "liberation war," that subsequently broke out in East Beirut?

[Al-Jumayyil] Non-individualistic, consultative rule is always the best. The decisions that are made inside the council represent all of the parties, each of which expresses its opinion. The result of consultation usually comes in a decision, especially when no one can make this decision singlehandedly. In addition, these decisions reflect a type of balance, which is the basis of rule in Lebanon. Unfortunately, in the absence of the Muslim ministers, the balance and consultation were lacking, which pushed the country toward a foolhardy undertaking.

#### The Transitional Government

[Harfush] Was it inevitable that the transitional prime minister be a Maronite, even though tradition requires that the prime minister usually be a Sunni?

[Al-Jumayyil] There is a precedent that occurred in 1952, when President Fu'ad Shihab, who was commander of the Army at the time, was appointed by the resigning president, Bisharah al-Khuri, to head the transitional government to ensure new presidential elections. At the time, all of the Lebanese parties approved and recognized the appointment of President Shihab, thereby establishing this precedent. Nonetheless, as I stated, we made an attempt with Prime Minister al-Huss, which was unsuccessful. I had no choice but to appoint the military council. As I mentioned earlier, I did not appoint individuals. The prime minister, whether a Muslim or a Christian, has no mandate. We appointed the military council as a collective unit that has joint responsibility. Fate wanted the head of the military council to be a Christian. However, this was the only option available to me.

[Harfush] Some in East Beirut and elsewhere believe that you have a special role in the Phalange Party, inasmuch as you are the son of the party founder and the sole, legal heir to the leadership of the family, a view that is based on the traditional concept of Lebanese leadership. This role has its opponents and advocates. Do you agree that you have a special role in the Phalange Party leadership and the Maronite leadership? How do you define this role?

[Al-Jumayyil] I object to the way the question is posed. After all of these years of war, it is political heresy to talk about inherited or traditional leadership in the Lebanese arena, because the war has overturned all standards and produced a new model of political action, new proposals, and new leaders. In my opinion, a political leader must be evaluated based on his actions, method, and program more so than on talk about traditional leadership.

[Harfush] Does that mean that you do not see a special role for yourself in reexamining the party's policy or in the party's course under the present circumstances?

[Al-Jumayyil] It is difficult to separate Amin al-Jumayyil from the course of the Phalange Party. However, it is my nature to reject the logic of weapons and blood. I have always refused to descend to the game of blood in Lebanon. Therefore, when the game took this dangerous, destructive, and suicidal turn, I preferred to remain at a distance and not become immersed in it. However, that does not mean that I watched without making any effort. I maintained contact with historical leaders in the party and in Lebanon. While abroad, I have constantly been active through lectures, essays, and contacts with the Lebanese communities abroad. From abroad, we have sought to focus on plans that facilitate solutions in Lebanon, because taking any action inside Lebanon has become difficult under the current circumstances, inasmuch as the language of logic has lost its validity and the country has become a prisoner of the language of blood.

#### The Phalange Party

[Harfush] What is your view of the policy of the current leadership of the Phalange Party? Is it correct that you differ with this leadership?

[Al-Jumayyil] One of the results of the Lebanese war is that it has produced a new method in the Lebanese arena, a method to which we have not been accustomed in Lebanon, and which does not reflect Lebanese traditions in the way that we wish. This war has produced the logic of the rifle and the law of the jungle. All standards in the political game have been overturned, which has allowed foreign interests to enter Lebanon. Thus, the rifle that was fired initially in self-defense has turned on its owners and has become a means in the hands of some foreign interests. The logic of the rifle has affected all national and party institutions, including the Phalange Party, which was one of the victims of the Lebanese war. It is regrettable that the Phalange Party has become "militarized." After it became "militarized," it lost its credibility, and democracy in the party was tendered

ineffective. The party became a tool and a prisoner of the rifle. Now—although some would disagree—I still believe that the Phalange Party has a basic role in reunifying Lebanon. It has played a prominent role in achieving this goal and in strengthening national unity in a number of phases in Lebanon's history. For example, after the events of 1958, the party was the primary element that helped to conciliate between Lebanese, restore unity, and rebuild Lebanese-Arab relations. It also played a leading role in the dialogue between the Palestinian resistance and a large group of Lebanese, and the Lebanese-Syrian dialogue. The Phalange Party's role is currently inoperative because of the climate prevailing in the country. Accordingly, the party's method must be reexamined. Needed is a policy of reflection, self-criticism, and review. The party's historical leaders must participate in this review. These leaders can conduct this review and reorganize the party based on democracy and freedom. Perhaps the logic of the rifle is still in control. However, this phase will inevitably end, and the party will reassume the role that it played over the course of four decades in the service of strengthening national unity and anchoring relations with the Arab family.

[Harfush] Do you not believe that the establishment of the "Lebanese Forces" ultimately led to their full control of the party's historical institutions?

[Al-Jumayyil] In all candidness, I state that those familiar with the Phalange Party throughout its long history regard what is happening on the ground at present as having no relation to the Phalange Party. There are leaders in the Phalange Party and in the "forces" who still have the spirit of the party, but they are helpless, or they have lost the balance that had characterized the Phalange Party. Thus, the institutions that exist now on the ground are not the institutions through which the people have known or known about the Phalange Party. However, these historical leaders must bear in mind their national and party responsibilities. Despite all that has afflicted the Phalange Party, I am convinced that it is still capable of unifying the Lebanese, because no Christian institution can replace this party. One of the reasons for the disaster now occurring in the Christian arena is the loss of the moderating role that the party has played.

#### The Israeli Challenge

[Harfush] What are the reasons that prevented leaders of the Phalange Party and the Lebanese Forces from pushing forward to face this concept at the expense of other leadership [responsibilities] during your tenure?

[Al-Jumayyil] When I assumed the presidency, I faced many challenges. There was the Israeli challenge, the Iranian challenge, difficulties with our Palestinian brothers, and the dialogue/conflict between us and the fraternal Syrians. These challenges were consuming concerns throughout the entire period of my presidency. It was my duty to devote my time to these national affairs at the expense of party affairs. As you noted, at the end

of my tenure, my concern with the affairs of state was at the expense of the party, which ultimately paid the price in the manner with which we are familiar.

[Harfush] What does your return to Beirut depend on?

[Al-Jumayyil] I left Beirut because I refused to submit to the law of the jungle, and because I refused to become engaged in a Lebanese policy that is based on futile domestic conflicts. I therefore concluded that I could be of greater benefit to Lebanon from abroad. Any political action undertaken in the shadow of a rifle would be useless. The most important task at present is to formulate ideas for a new program to solve Lebanon's problem. Therefore, I decided to absent myself from the arena for a period to prepare a complete political program based on my expertise, efforts, and six years of experience governing the country. This work is neither personal nor individual. On the contrary, I have been consulting with numerous leaders abroad from all sects, so that this plan will be national rather than personal, individual, or factional, because, after the combatants weary, there must be an implementable plan that forms a basis for a meeting between Lebanese.

#### Political Campaigns

[Harfush] What is your response to accusations that, during your tenure, certain opportunities were missed or could have been better exploited to help solve the crisis?

[Al-Jumayyil] It is difficult for a person to evaluate his policy and say that opportunities were lost or could have been better exploited. There is a proverb that says that war through binoculars is easy. Although I have left the presidency, the same opportunities exist. There are opportunities that repeat themselves. Can you, for example, point to someone other than myself who took advantage of these opportunities after I left office? Can you point to an error committed by Amin al-Jumayyil in dealing with the crisis, and someone came along and did something better? On the other hand, he made an exceptional, unmatched effort through the Ta'if Agreement, which was aided by the good offices of the custodian of the two holy places, King Fahd Ibn-'Abd-al-'Aziz, who loves Lebanon with all his heart, who was a basic source of help to me throughout my tenure, and who maintained this same sentiment and effectiveness in attempting to solve the Lebanese crisis. Enormous efforts and immense capabilities were employed in an attempt to find a way out of this crisis. These efforts exposed the complications and difficulties in the Lebanese situation.

[Harfush] Some say that the great collapse of the value of the Lebanese pound during your tenure can be attributed to the arms deal that you made with the United States to arm the Lebanese Army. Why, at that time, did you not adopt the appropriate means to protect Lebanon's currency and maintain the soundness of the economic situation?

[Al-Jumayyil] It is folly to connect the economic collapse with the arming of the Lebanese Army, because the latter was based on long-term installments that were not due when the Lebanese pound collapsed. Moreover, at the start of the tenure, we were repaying the bonds of the previous tenure, the tenure of President Ilyas Sarkis. The pound declined because of the material losses incurred by the Lebanese economy as a result of the Israeli invasion and the occupation of Beirut. These losses are valued in the billions. Studies conducted by a number of Arab financial and economic organizations confirm the volume of damages that Lebanon incurred in that period. In addition, there was the withdrawal of the Palestinian resistance from Lebanon: You are well aware of the financial resources that the resistance had in Lebanese banks and its huge interests, all of which were taken out of the country in the space of one week, dealing a major blow to the Lebanese economy. It is of course unreasonable to connect Lebanon's economy to the presence of the Palestinian resistance, and we always opposed the resistance's establishment of a Palestinian infrastructure in Lebanon, but this sudden, rapid transfer occurred without the Lebanese state being able to take adequate measures to provide for a transitional phase or to fill this vacuum, which shocked the Lebanese economy.

[Harfush] In the last article that you published in LE MONDE, you focussed on the foreign dimension of the Lebanese crisis, seeming to give it precedence over domestic conflicts. Do you believe, based on your experience in governing, that the foreign dimension of the crisis can be solved without solving the domestic conflict first, especially inasmuch as this conflict feeds into foreign roles in Lebanon?

[Al-Jumayyil] No one denies the presence of foreign armies on Lebanon's territory. The interweaving of domestic and foreign factors has become intricate and complex. Also, Lebanon's free will has become the prey of forces controlling society, and a plaything in the hands of some regional forces. Therefore, Lebanon must be helped through the removal of the occupation of non-Lebanese forces from Lebanese territory and the reconstruction of a free, independent state. This is the role that the custodian of the two holy places, King Fahd Ibn-'Abd-al-'Aziz can play with his glory and influence and the esteem with which he is held by numerous Arab and international forces. Through that, he can help apply international agreements regarding South Lebanon, and he can resume playing an effective role in the Lebanese-Syrian dialogue in order to calm relations and facilitate a security shake-up in Lebanon, because, as long as the situation continues as is, how can the population of the south be liberated to participate in a constructive dialogue? The south is a precious, important part of Lebanese society. How can residents of the southern suburb express their opinions freely when they are sunk to the ground under the oppression of the reality under which the suburb and other areas of Beirut are living? This is also the case in Ba'lak, Tripoli, and other areas. It is

difficult for the Lebanese people to restore its roof when it is a prisoner of conflicts, interests, and demands with which it has no connection, and for which it is an unwilling tool. For all of these reasons, there can be no separation between the domestic and foreign dimensions of the Lebanese crisis. However, this does not prevent the Lebanese people and Lebanese leaders from fulfilling their duty, which is to reach a minimum agreement and a reform program for Lebanon. Otherwise, it will be difficult to handle the foreign aspect. There are historical leaders in Lebanon that have great national sentiment, and they cannot shirk this responsibility.

#### Relations With Syria

[Harfush] On one occasion, Syrian President Hafiz al-Asad said that you are the best president that Lebanon has known. You have held more contacts and summit meetings with the Syrian president than any of your predecessors. Nonetheless, the crisis in Lebanese-Syrian relations remains unchanged. What are the reasons for this in your opinion? What is your appraisal of the Syrian position on the Lebanese crisis during your tenure?

[Al-Jumayyil] I value the sentiment of President al-Asad toward me, and the feeling is mutual. I have always realized that President al-Asad has desired to find a solution to the Lebanese crisis. I recall that, in (February) 1987, we were almost on the verge of reaching a final solution of the crisis in cooperation with Syria. However, unfortunately, external factors beyond the control of Syria and Lebanon intervened, and relations returned to square one. Two factors had a major effect on the course of Lebanese-Syrian relations. The first is the Iranian factor, which is connected to the Iraqi-Iranian war and that fact that Syria deems it necessary to take this factor into account. For this reason, Syria was unable to directly influence the armed combatants of Hizballah, who did as they pleased in Lebanon. One manifestation of this Iranian deployment is the foreign hostages problem, which remains unsolved. The other factor is Syria's conflict with the PLO, and with Yasir 'Arafat in particular, in addition to the bloody conflict between the [Palestinian refugee] camps and Lebanese parties, especially the Amal movement. This conflict has also affected the course of Lebanese-Syrian relations. We should also not forget Syria's preoccupation with another party to the regional conflict, Israel.

Let me provide an example here to indicate the effect of these factors on a solution of the Lebanese crisis. In Lebanon, we formulated an entirely Lebanese political charter between the Lebanese parties. This is the 1984 ministerial declaration of the government of Prime Minister Rashid Karami. The government met, and a committee was formed of President Salim al-Huss and president Camille Sham'un. Each one of them came with a working team and they isolated themselves in a closed room to draft this declaration. The charter fulfilled the objective, and I still consider it to this day worth taking into account, because it opens the field for achieving the

aspirations of all the parties. It also takes into account Lebanese-Syrian relations and a method for resolving the Israeli occupation in the south. We began to apply this declaration, implementing 70 percent of it by amending legislation and enacting new laws. In this way, we provided for political, economic, and social stability, as well as stability in Lebanese-Syrian relations. If you go back to events subsequent to this date, you will notice that the application of this agreement was not rendered ineffective by a dispute between Lebanese, but by the camps war, which disrupted the peace process. I recall that President al-Asad, at the time, called for a meeting between Islamic, religious and political leaders to solve the problem of the camps. The way out of this war was to renew the discussion on political reforms. In other words, the charter of President Rashid Karami fell victim to the camps war. In view of the difficulty of solving this problem, the problem was diluted by the presentation of an alternative problem, namely plunging anew into the national unity charter that was sanctioned in the 1984 ministerial declaration of the government of Prime Minister Rashid Karami.

[Harfush] However, did not your adversaries say at the time that they withdrew from the government and boycotted it because there was no serious commitment to the implementation of the political reforms stipulated in the ministerial declaration?

[Al-Jumayyil] As I said earlier, when the camps war exploded, on the eve of the meeting that I indicated, which was held in Damascus, the government was occupied with implementing the agreement and applying the provisions of the ministerial declaration. In the last meeting, which was held at Bakfiya with the attendance of Syria's deputy prime minister, 'Abd-al-Halim Khaddam, a decision was made to abrogate several legislative decrees, and one of the steps was the application of the ministerial declaration. There was no dispute in the government before the camps war. However, there had to be a sacrificial lamb for this war, and Amin al-Jumayyil was the best sacrificial lamb for this. In any case, perhaps the interpretation of matters might be erroneous. However, there can be no debate about the events and the dates, which decisively show when the application of the ministerial declaration of 1984 was disrupted.

[Harfush] It is well known that, in the last year of your tenure, you helped put America back in the forefront by inviting it to help solve the presidential elections dilemma in cooperation with Syria. However, this attempt failed, and it complicated the crisis after America imposed a single candidate under a mutual understanding with Syria. What is the background of the American effort at that stage?

[Al-Jumayyil] Briefly, regarding presidential elections, at the time, Syria established and adhered to a principle that required prior agreement with it on the details of the president, otherwise the presidency was to be left vacant.

Regardless of efforts and proposals regarding the presidency, and disregarding every debate outside of reality and the truth, this phase proved that Syria adhered to this principle. It was difficult in the limited period available to us to crystallize this full mutual understanding between Syria and the candidate without the matter touching on the sensitivities of numerous Lebanese and regional parties. America was among the countries that did not agree with Syria on this approach at one point.

[Harfush] In light of this conviction, what was the justification for the last visit that you made to Damascus on the last day of your tenure?

[Al-Jumayyil] I fully realized that any solution that we would find to fill the presidential vacancy outside of electing a new president would be a disaster for the country. My concern was that I not leave the presidency without holding presidential elections. It was also my duty to make an effort until the last moment, for my conscience and for history, to find a solution to the elections dilemma. I continued holding contacts with everyone, including Syria. Toward the end, I perceived that, if we held a meeting with President al-Assad, it would perhaps be possible to form a solution and elect a new president at the last moment. Speaker of the House Husayn al-Husayni played a role in these contacts. This was the context of my trip to Damascus. It subsequently emerged that it was impossible to reach a solution, especially since interests had escalated as my tenure drew to a close, and numerous factors arose that day, during my meeting with President al-Assad, which made it difficult to reach a solution. We were not successful. However, I tried until the last moment. I sacrificed and paid a high price for going to Damascus on the last day. But I am convinced of what I did. If I had to choose again, I would behave in the same way, without taking into account the brinkmanship of the street, because Lebanon's interest is above every interest.

[10 Jul pp 29-31]

[Harfush] Among the most important stations in your tenure is the 17 May agreement that was reached as a result of Lebanese-Israeli negotiations with American participation. However, ultimately, you did not ratify this agreement even though the Chamber of Deputies approved it. In your memoirs, you describe the agreement as a trap. Why then, did you allow negotiations with Israel proceed to the end despite your prior conviction that they would not lead to any result?

[Al-Jumayyil] The 17 May agreement is a long story. However, I can say here that negotiations on this agreement were based on a certain foundation, then matters developed subsequently and took a different direction. The government of President Ilyas Sarkis began in these negotiations. Philip Habib came to Lebanon to mediate, and the Palestinian resistance left Beirut as a result of an accord between Syria, the resistance, America, Lebanon, and Israel. At the time, Habib established seven points,

which were actually the seeds of the 17 May agreement. These points were a framework that was binding on all of the parties. An immediate result of that document was the departure of Syrian forces from Beirut for Damascus and al-Biq'a', and the departure of the resistance by sea. Then, multi-national forces were formed. They came to Lebanon with the agreement of all of the parties. Then, a deal on which all of the parties agreed was concluded in the tenure of President Sarkis. When I came to power, it was my duty to implement the accord.

However, positions subsequently changed, particularly those of Israel and Syria.

Israel began a campaign against Ariel Sharon, who was considered the "hero" of the invasion. The Israeli government changed immediately after the issuance of the Kahan Report on the massacres at Sabra and Shatila, and Sharon resigned from the defense ministry. Then the Labor Party came to power after elections. Its motto was unconditional withdrawal from Lebanon and the maintenance of only a security strip with a depth of 40 km—the range of a Katyusha rocket—in which there was to be a permanent Israeli presence.

Regarding Syria, after it agreed to the Habib plan—and it did not oppose the start of negotiations with Israel—a new development occurred, namely Iran's entry into Lebanon, then the entry of the Soviet Union, which had become annoyed by the presence of NATO forces in Lebanon. During this period, suicide operations were initiated against American interests, which led to a new convulsion in the Syrian position. We reached an agreement—not the best in our estimation, but the least damaging. I desired the continuation of an Arab consensus and a Lebanese consensus on this agreement. At the time, the government sent envoys to all of the Arab states to obtain their views. There was also constant consultation inside Lebanon, which led the Chamber of Deputies to approve the agreement by a near consensus. However, at the last moment, Israel submitted a note that included three new conditions: The first was Syrian withdrawal simultaneous with the Israeli withdrawal, the second was the handing over of Israeli prisoners held by the Palestinian resistance, and the third was the handing over of the bodies of several Israeli soldiers. We considered these conditions hamstringing, although America was always telling us: Calm down, we will arrange matters. Former American Secretary of State George Shultz even came especially to Lebanon during that period to reassure me that there was an American-Syrian agreement on the implementation of the agreement. Lebanon was unable to sign the agreement, lest it appear to be backing off, which would destroy our relations with America, which we urgently needed at the time. Presented with this situation, it was necessary to find a solution in the Lebanese manner. Opposite Israel's conditions and provisos, we ourselves put forth equivalent provisos. In the note that we formulated in response to Israel's conditions, we said: If Israel does not fulfill its commitments, Lebanon shall consider itself free from its

commitment and shall consider the agreement abrogated, and the United States shall be responsible for removing Israel from Lebanon. This Lebanese position led to rejection of the mined agreement. Israel, not we, should be held accountable by the United States for the failure of the agreement, because of the impossible conditions that Israel imposed.

#### Simultaneous Withdrawal

[Harfush] Didn't the Americans present you with the Israeli condition regarding Syria's simultaneous withdrawal before the end of the negotiations?

[Al-Jumayyil] This condition was presented to us at the last moment. The American Secretary of Defense at the time, Casper Weinberger, stressed this in his recently published memoirs. The truth is that I began to doubt Israel's intentions regarding this agreement when I observed that it had begun to build, on the ground, new structure through the network of contacts established by the Mosad [Central Institute for Intelligence] with a number of sects, such as a group of Shi'ites in the south, Sa'd Haddad in the border strip, some Druze in Lebanon by means of some Israeli Druze officers, and with Christians. Israel deemed this network of relations better for it than signing an agreement with the Lebanese state. Israel was thus unenthusiastic about the agreement. Then, I noted that Israel was eager for any piece of paper signed with Lebanon, regardless of its content or whether Lebanon would adhere to it. The reason is that America had imposed several constraints on Israel following the invasion of Lebanon. Israel needed the agreement to eliminate American wariness toward it. This is indicated by the removal of these constraints when the Congress met immediately after 17 May. However, Israel blew up the agreement at the same time. Therefore, the agreement was a pretext for America to eliminate constraints on Israel. I consider this agreement stillborn. Israel was not satisfied with it, and the Lebanese delegation signed it only to preserve Lebanon's international relations and avoid responsibility for a break-down in the negotiations. At the same time, we signed a proviso letter renouncing any future responsibility in this connection.

[Harfush] At that time, opponents stated that the non-ratification of the agreement was the price for the establishment of a national unity government headed by Prime Minister Rashid Karami following the Lausanne conference. Is that correct?

[Al-Jumayyil] There is no connection between the two. The government of Prime Minister [Shafiq] al-Wazzan had resigned. We were attempting to establish a government of top-ranking leaders, or a national unity government. When we concluded the dispute with Syria over the 17 May agreement and other matters, the formation of a new government was facilitated. However, the important thing was the restoration of confidence and good relations between us and Syria.

[Harfush] There is always discussion of your positive relations with a number of leaders of the Palestinian

resistance, including Abu-Iyyad. Is this truly the case? Did you help remedy Palestinian conditions in Lebanon during your tenure?

[Al-Jumayyil] My relations with the PLO are no different from my relations with any other group. I have always called for dialogue and negotiations to solve all problems. I have never regarded weapons as the best solution to decide a dispute in Lebanon. On the contrary, weapons are a complication. I was the fiercest adversary of the resistance when it attempted to sink itself into the shifting sands of Lebanon, especially when it became a cell of the Lebanese National Movement [a coalition of leftwing political groups and parties brought together by Kamal Junblatt], and a basic element in the political game, which created an imbalance in Lebanon's delicate, fragile structure. At the same time, on the directive of the (Phalange) party chairman, we attempted to reach a joint consensus and a peaceful resolution of disputes. On this basis, a committee was formed under the chairmanship of Joseph Shadir, whose members included myself and several of my comrades, and Abu-'Amar [Yasir 'Arafat] and Abu-Iyyad and several of their comrades. We held numerous meetings to remedy the Lebanese-Palestinian situation and Phalange-Palestinian relations. We were thus able to avoid numerous problems in Lebanon between us and the Palestinians. After the Israeli invasion of Lebanon, we constantly sought to maintain our good relations with the Palestinians, because of the natural solidarity between Lebanon and the Palestinian people. We cannot fight for the freedom and sovereignty of our country while ignoring the struggle of a people that is also seeking to reclaim its rights, provided that this not be at the expense of our own cause.

#### Passports

[Harfush] During your tenure, there was discussion of the issuance of residency papers and travel documents to a number of Palestinians residing in several gulf states. The PLO leadership spoke positively of this measure. What justified the issue of these documents and what happened regarding them subsequently?

[Al-Jumayyil] The story of the controversial travel documents issued by the Lebanese state to Palestinians is as follows: When I came to power in 1982, I learned that, during President Sarkis' tenure, 70,000 travel documents were granted illegally to some people, including Palestinians. We were faced with the problem of renewing these documents after they expired. We started receiving requests to renew these documents through Lebanese embassies in some states, especially the gulf states. The director of general security at the time, Zahi Bustani, presented the matter to prime minister and interior minister Shafiq al-Wazzan, and we held a meeting at the Ba'bda Palace that was attended by the general secretary of the Foreign Ministry, who instructs embassies abroad. The decision was not to renew these documents because of security problems posed by some of the bearers of these documents abroad. We began to receive objections from a number of states that had

admitted these people based on the documents issued by the Lebanese government. These objections expressed amazement at the Lebanese position and doubt as to the soundness of documents and passports that the Lebanese state issues and then suddenly cancels. In view of that, we held a meeting at the republican palace with the attendance of Prime Minister al-Wazzan, in which we decided to renew these documents, but indicate on them that their bearers could not return to Lebanon. These instructions were circulated to all relevant countries. After a while, following the resignation of the al-Wazzan government and the advent of Prime Minister Karami, he undertook—without consulting anyone, in the absence of Foreign Ministry General Secretary Fu'ad al-Turk, and with the appointment of Samih al-Baba as deputy general secretary—to circulate a note to all pertinent missions to renew these documents without indicating on them that their bearers could not return to Lebanon. This is the story of the Palestinian travel documents. Unfortunately, in the scope of intra-Palestinian disputes, and in order to harm Lebanese-Palestinian relations, several different Palestinian parties aligned with Abu-'Amar, published an alleged report whose purport was that we granted passports to Palestinian combatants to come to Lebanon to fight on the side of 'Abu-'Amar against the Amal movement. However, this is incorrect. The problem of the documents goes back to 1982, not 1985, and we issued a statement regarding this subject at that time.

[Harfush] Is it true that Palestinian combatants entered through the Port of Juniyah during the camps war?

[Al-Jumayyil] Everyone knows that the Lebanese state had no control over the Port of Juniyah at that time. There were outstanding relations between the Lebanese Forces and the PLO. I can confirm that the Lebanese state did not provide any passports to any Palestinian or any combatant in that or any other period.

#### American Intervention

[Harfush] It is well known that your tenure witnessed notable American intervention in the scope of efforts to solve the Lebanese crisis. This U.S. role initially involved sponsoring negotiations with Israel, and it included the multi-national force. Then, you asked the United States to again mediate with Syria to solve the presidential elections dilemma, despite the failure of the first American intervention. How do you conceptualize the American role in Lebanon? Could America play a more positive role if it wished to do so.

[Al-Jumayyil] America is a superpower. It has a primary role in spreading peace in the world. Lebanon is a state that ensures freedom and democracy, which are the political values that underlie the American system. Therefore, there are natural ties between America and Lebanon. An important American university and American interests are in Lebanon. Likewise, an important Lebanese community and Lebanese interests exist in America. America has aspired to play a helpful role in

Lebanon in every phase of its history. Therefore, the American role in my tenure was not the first time that America has intervened in Lebanon. At the same time, we must recognize that America cannot become involved daily in small crises, especially in Lebanon, where the problem is very complex, featuring domestic conflicts, an intermeshing of domestic and foreign problems, the interests of Syria and Israel and Iranian intervention. Therefore, America has always intervened in Lebanon with great caution. In 1982, America came to Lebanon only at the request of Israel, the PLO, and Syria, which requested American intervention to guarantee the solution put forth by American envoy Philip Habib. However, as I mentioned earlier, the situation then changed, as did the positions of the various parties, and America felt that it was wandering about in shifting sands.

The last factor that should be taken into account is that the United States cannot always understand the circumstances of Lebanon and its sectarian, social, political, and other complexities. Therefore, we must always find reasonable solutions to our problems and ask America to help us achieve them. This was the basis of our relation with America and the administration of Ronald Reagan. Had I not submitted to the American government a realistic reform plan and requested Secretary Shultz, on the basis of that plan, to return to intervene in the Lebanese affair, America would not have undertaken this role. Rather, Shultz was convinced at the time that the plan that I had submitted was realistic, and that America could market it in both Syria and Lebanon, which resulted in a renewed American role in solving the crisis and the shuttle missions undertaken by a number of American envoys to Lebanon.

In all objectivity, I state that we always arrive at realistic and objective conceptualizations of a solution. These conceptualizations always meet with acceptance and satisfaction on the part of different parties. However, circumstances always become so overwhelming as to obstruct the course of these plans, and we go back to square one. In this interview, I mentioned some of the circumstances that have confronted and impeded the course of a solution in Lebanon.

#### Reasons for Immigration by Businessmen Given

*90AE0166 London AL-MAJALLAH in Arabic  
3 Jul 90 p 38*

[Article: "In the Wake of Abductions, Lebanese Businessmen Leave Lebanon"]

[Text] One reason why the Lebanese people, Lebanese businessmen in particular, are leaving their country is the absence of security and stability in Lebanon and, consequently, the absence of economic enterprise without which businessmen cannot pursue their profession.

For the last two years, the Lebanese capital, Beirut, has been the scene of a wave of abductions that included

children of Lebanese businessmen and that have terrorized this social group of people who have fled Beirut with their families and possessions after becoming convinced that they were the target of these dangerous acts.

Businessmen and their children are usually abducted by armed individuals claiming membership in underground organizations for the defense of the oppressed and the poor in order to popularize the business of "killing the hen that lays the golden egg."

Last year, 1989, the Lebanese prime minister Salim al-Huss came close to resigning when an underground organization called "Defense of the Poor in Beirut" abducted the general director of the Grains and Beets Bureau, Engineer Muhammad Raji al-Bassat, who was held underground for a week in places police and security officers could not locate. Following a series of interventions and mediations, al-Bassat was released by the organization that accused of him taking bribes and kickbacks from businessmen who deal with the Grains Bureau in Beirut.

During the same period of time, the director of the Sidon State Hospital in southern Lebanon, Dr. Ibrahim 'Atawi, lost one leg and suffered face and arm injuries when a bomb, planted in front of his house in al-Ghaziyah in an attempt on his life, exploded.

During this time as well, a wave of abductions against well-known doctors and businessmen swept the American University Hospital, prompting the hospital to close its door and the doctors and businessmen to quit their jobs and leave Lebanon for good!

After 62 days in captivity, the board chairman of the West Beirut City Bank, Ibrahim Abu-'Ayyash, who was abducted on his way from his office in Hamrah Street to his hometown 'Ayn Kusur near 'Alay, was set free.

And in a series of kidnappings of children of Lebanese businessmen that spread fear and terror among Beirut residents, Husam Hamadi, 11, was abducted in front of parent's house in al-Janah Quarter and his abductors demanded a \$200,000 ransom. It seems that his father, a businessman who manages the "Cathay Pacific" company in Beirut, gave in to the abductors and paid the ransom. The child was released the following day!

Also, 'Abd-al-Rahman Ahmad Nahhal, five, was abducted from his school and his abductors demanded a \$15,000 ransom. Young Rula Furayj was abducted, then set free when her businessman father paid for her release.

But the incident that sent shock waves throughout Beirut was the abduction of two years ago of the entire al-'Aris family, an old Beirut family. The abduction was perpetrated by a group of armed men and included 14-year old Dana, 11-year old Samir and 8-year old Ramzi. The father admitted that he had nothing to do with politics and his only sin was working as a money changer. Meanwhile, jeweler Simon Matta Buri was abducted and set free for a ransom.

Yahya al-Hakim, an official at the Businessmen's Association in Lebanon, said that these people's ordeal began in 1975 when economic conditions slumped to the tragic level we are now witnessing. He believes that, in an effort to resurrect the economy and the Lebanese nation and to put a stop to the flood of emigrations by businessmen, it is necessary to restore confidence in order to save business activity in Lebanon.

Al-Hakim added that such emigration is governed by specific factors. Factory owners leave the country temporarily and are forced to return to look after their businesses. But, because of current circumstances, it is not known what another group of businessmen, working in the services sector, are doing nowadays. Ultimately, the absence of accurate statistics about businessmen emigration notwithstanding, Lebanon has lost a large number of its leading men and institutions, in 1989 particularly.

As for the places where Lebanese businessmen go, first there is Canada that offers them incentives in an effort to attract them, followed by the two Americas, Africa, and certain Arab countries.

#### Statistics on Economic Loss Reported

90AE0144A London AL-TADAMUN  
in Arabic 9 Jul 90 pp 29-30

[Article by Walid Zahr-al-Din: "Eastern Sector Fighting Has Deprived Lebanese of Even a Fig Leaf!"]

[Text] Lebanese economic and political circles have been astounded by the huge losses and damages that the Lebanese economy has sustained, especially since the start of the bloody incidents in the eastern sectors of Beirut since early this year and, before that, with the outbreak of the six months' incidents beginning on 14 March 1989.

Official economic agencies have made preliminary studies in this regard, at the request of the political authorities concerned, in preparation for submitting those studies to certain Arab countries that have expressed—to more than one visiting Lebanese official—their readiness to offer financial assistance to Lebanon. However, they requested official, statistical studies, before the leaders of the Supreme Tripartite Committee announced recently the creation of the International Fund to Assist Lebanon, in compliance with Baghdad Summit resolutions.

What do these studies tell us; what are the painful numbers and data that they contain?

One notes first a significant recession in the Lebanese economy during the first part of this year, caused by military operations and the destruction and displacement as a result of the East Beirut fighting. This has partially paralyzed economic activity in the public and private sectors, and has destroyed a major part of the superstructure and infrastructure of the Lebanese

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economy. This succeeded in muddling up monetary and financial conditions, continuing inflation, causing the collapse of the Lebanese pound and the flight of capital abroad, increased local demand for foreign currency, decline in purchasing power of incomes, and a worsening of the phenomenon of displacement within the country and abroad.

The studies show that, in fact, the East Beirut fighting caused a set back in industrial productivity by not less than 40 percent, since 44 percent of industrial organizations are located in the Eastern Zone, and have a 50 percent share of total sales. Moreover, 63 percent of the value of Lebanese exports was drawn from the Eastern Zone's industries and organizations, as shown by the statistics of the industrial survey made last year. As a result of the decline in industrial production, the value of industrial exports dropped about 50 percent; these exports were valued at more than \$14 million monthly in 1989, according to statistics of the Ministry of Industry and Oil, but today they have dropped to \$7 million a month, according to statistics of the Chamber of Commerce and Industry in Beirut, for the first part of 1990. Because of the severity of the shelling, many factories were partially or completely damaged, and some have been closed down. In addition to material losses suffered by the industrial sector, there are also non-material losses, i.e., the lack of regular work between the Lebanese factory and abroad, and the inability of Lebanese industry to honor export commitments, because of the severity of military operations, the continuation of security instability, the disruption of communications, especially internally, the non-availability of electricity and lack of fuel, the drop in industrial productivity, and the displacement of large numbers of skilled workers and some businessmen abroad. All of this contributed to negative reflections with regard to Lebanese industrialists and exporters.

As for the agricultural sector, its production was generally maintained at normal levels, in view of its activities being concentrated in the al-Biqa' area and South Lebanon. However, the closing of border points, and the disruption of means of communications impeded produce distribution.

The studies also show that the trade sector did not escape damages. The artillery exchanges in the Eastern Zone damaged a number of commercial organizations and shops, either partially or totally. The banking sector also suffered certain losses, resulting in damage to some banks located in the areas of conflict, while banking activity in general was paralyzed, as a result of security instability, and the inability of employees to do their jobs. Credits used for importing declined, as well as the value of bank deposits in foreign currencies, to less than \$3 billion, after having been more than \$3.4 billion by the end of 1988, and \$3.1 billion by the end of 1989. The insurance sector suffered its share of damages as well.

The East Beirut fighting, according to these studies, led to the damaging of more than 6,000 homes and the

paralysis of construction activities. The fuel sector was hard hit, because fuel storage tanks were hit once more, after having been hit last year as well, and their contents burned, with losses estimated at more than \$4.5 million during January and February of this year. In the previous year, losses totalled more than \$100 million.

Concerning social complications because of the latest round of violence, they were not only very disruptive, but also dangerous, with 1,000 persons killed and thousands wounded and maimed. Unofficial estimates refer to the flight of more than 100,000 persons from East Beirut to more secure areas (West Beirut, and northern and southern Lebanon), and the emigration of more than 200,000 citizens to neighboring countries. The "brain drain" has reached dangerous proportions, as a result of the emigration of skilled, university people abroad, in pursuit of educational stability. Unemployment rates have also gone up, because the statistics of the General Workers Federation show that 35 percent of the labor force is without work. There are also estimates that indicate the damage or burning of thousands of citizens' vehicles due to the artillery exchanges in the Eastern Zone.

Citizens are living in backward, primitive conditions; 35 percent of Lebanese live without running water. Large containers are used to distribute water to large portions of the area, and there is no actual proof that the water is potable. Some 70 percent of Lebanese live without electricity, and the majority of the 30 percent who have electric power obtain it through electrical generators.

#### Direct Losses

The first part of this year was also marked by the deterioration of monetary and financial conditions in Lebanon, where the government's fiscal deficit continued to increase. Expectations indicate that the anticipated deficit (according to the draft of the 1990 general budget) will total—by the end of this year—some 560 billion Lebanese pounds, compared with 410 Lebanese pounds at the end of 1989. The continuation of this deficit has led to increased domestic public debt, and this debt at the beginning of March 1990 was estimated at more than 970 billion Lebanese pounds. Moreover, the amount of interest paid on this debt has increased, and is currently estimated at more than 136 billion Lebanese pounds. This deterioration in the government's fiscal situation has resulted from the continuation of the government's loss of a large part of its revenues (revenue from ports, taxes, etc.) while, at the same time, the rate of useless or unproductive expenditures has accelerated (increased wages, etc.). General expenditures equal more than nine times the general revenue. Therefore, Lebanon is among the countries that have a big ratio of debt to gross national product. Currently this ratio is more than 70 percent, which means that the situation with regard to the local economy is extremely dangerous. That is made clear by comparing the amount of interest paid on the government's domestic debt with the amount of government

revenue, with the amount of interest being more than two times the value of revenue.

The studies conclude that the recent round of violence that began early this year cost Lebanon—as direct losses—more than \$500 million, while the previous round of fighting, which began on 14 March 1989 and continued for six months, cost more than \$1.3 billion. Rebuilding, repairing, and developing the infrastructure and superstructure of the Lebanese economy in all sectors will require more than \$10.8 billion (according to estimates of the Bank of Lebanon). This very large price tag—with regard to a small country like Lebanon—is caused by a lack of the fiscal self-sufficiency required to begin reconstruction, and achieve balanced growth for the economic sectors and the various areas, especially with the continuation of military operations, economic collapse and the inability to carry out plans aimed at stopping the war in Lebanon.

After all these statistics, one Lebanese politician said: "What can our Arab brothers say to us when they read these painful numbers and statistics? What can we say to them, we who continue to fight and cause more bloodshed and desolation in our country?"

## TUNISIA

### DCR Secretary General on Party Politics, Elections

90AA0211A Paris AL-YAWM AL-SABI'  
in Arabic 18 Jun 90 p 19

[Interview with DCR General Secretary Abderrahim Zouari by Riyad Hayjar in Tunis; date not specified]

[Text] Municipal elections in Tunisia did not produce any surprises. Most voters voted for the ruling party after the opposition boycotted the elections.

The municipal elections held in Tunisia on 10 June 1990 did not produce any notable surprises. The ruling Democratic Constitutional Rally [DCR] took 244 out of 245 municipal councils. In the absence of competition following the boycott of elections announced by opposition parties, the DCR was the sole candidate in the arena, except for a few independents who gained control of one municipal council in the municipality of al-Shabah (in the governorate of Mahdia on the Tunisian coast).

Although the party entered elections as if it were competing with the other parties, the atmosphere was tepid and lacked the heat witnessed by legislative elections in Tunisia in April 1989, in which the opposition, including the Nahdah Party (Islamic current) participated.

During a tour by AL-YAWM AL-SABI' of a number of polling stations, quiet seemed to prevail in the absence of the running debate that competing lists could have created. The fact that there is only one list, the DCR's red list, translates into victory for DCR candidates, even if no one votes for them.

Statistics of the Interior Ministry show that the DCR won 85 percent, and independents won 15 percent, of the votes cast in municipal elections, in which 79.74 percent of all registered voters voted. Many neutral observers have some doubt these percentages. Even if they are correct, voting was not supervised by representatives of the opposition parties and the Islamicists, and neutral observers. In addition, some candidates running on independent lists complained of violations committed by DCR elements, which Interior Minister 'Abdelhamid Shaikh exonerated, saying that they were more indicative of ignorance of the law than categoric violations."

The election period witnessed much tumult, especially in relation to the opposition's boycott of the elections. Oppositionists advanced a number of reasons to explain the boycott, the most salient being the unsoundness of the "political climate." They accused the DCR Party of not decisively making a break with the old mentality, and practicing the mentality of hegemony over all aspects of life without allowing others to participate actively, despite the party's attempts to reorganize its structures, which nonetheless did not include practical steps toward separating between the state and the party.

The second reason pertains to the opposition's demand to advance the election period from the first week in June to late September in order to prepare adequately for elections. The third reason pertains to the election laws that were recently amended somewhat.

DCR functionaries responded that these reasons have no justification except the extreme weakness of the opposition, and consequently its limited influence on the electoral scene. They maintain that the opposition actually participated in the formulation of the new election law, and that it approved this law and the holding of elections at the scheduled time. However, the opposition suddenly turned against the election law and demanded that it be changed and that elections be postponed.

In light of this calm election atmosphere devoid of surprises, DCR functionaries did not conceal their regret over the absence of the opposition, which they hold accountable for the delay in the democratic process. Perhaps this is epitomized by the statement of the prime minister, Hamed Karoui, who said: "How else can the opposition enter institutions other than through elections?"

The general secretary of the DCR, Abderrahim Zouari, did not express a differing view when he received us in his office. He expressed his delight with the results, but added: "A quasi-challenge was posed by several opposition groups, especially the Islamicists, who took it upon themselves not to participate and called for a boycott of elections. Instead of democratic competition, the opposition and the Islamic current preferred to create a democratic vacuum. Therefore, I consider the boycott more dangerous than participation. After proving on 2 April 1989 that the majority of the Tunisian people support us, we also proved yesterday that this confidence

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in us exists and is manifold, by virtue of the democratic transformation in Tunisia, the initiatives of President Zine El Abidine Ben Ali, and the fighters of the DCR, who obtained the confidence of the Tunisian people with their tireless activity, winning a vote of confidence amounting to approximately 79.74 percent of the electorate in the last municipal elections.

Accordingly, we believe that the Tunisian people are fit to choose the president, which is a democratic and multiple choice."

[Hayjar] What is the DCR's position on the opposition's future role?

[Zouari] The DCR's position was perpetuated by our approval of the resolutions of the last conference, which aimed to assure the success of the democratic march. We recognize that we have a distinct responsibility, because we believe in multiplicity. This multiplicity has benefitted the DCR and protects its future. This has been indicated by studies and comparisons regarding the party's circumstances before and after 27 November. Multiplicity has impelled us toward intensive, aggressive work. We now have a greater presence and more enthusiasm than before multiplicity, when we operated on the basis of a one-party system. It was natural that there be an absence [of opposition participation] on the pretext that the results are always known.

Now, everything has changed. Our method of competing and our style of organizational interaction have changed, inasmuch as we have arranged opportunities for young people to bear responsibility for the first time. Thus, young people, running in elections for the first time in their lives, took up 82 percent of the spots on the most recent election lists.

This doubtlessly poses something of a risk. However, we undertook it, because its results, if they are used profitably, will be good and positive, especially since 65 percent of the Tunisian people are under the age of 30, a basic fact that we had to work with. Thus, we had to interact with the reality of the new Tunisia.

Accordingly, we changed our program and behaviors, abandoning our old practices and message, which we replaced with a message that deals with contemporary problems, progress, and good practices that are compatible with the spirit of change toward democracy.

However, unfortunately, the opposition, or most of it at least, did not keep pace with change. Much of the time, its message takes us back to the 1960s, as if 30 years have not elapsed. Some tell us that the only solution for Tunisia and its economic problems is a system of "cooperatives." Others refer to democracy as if nothing has changed since 7 November, pretending to forget the important qualitative acceleration that has affected the DCR since President Ben Ali announced his program and the DCR adopted it, which has led the party to now

bear the banner of democracy as we strive to achieve democracy and make Tunisia a country of law and institutions.

We are honored that President Ben Ali has been honored as a symbol of human rights in the world by a number of world human rights organizations.

The opposition must recognize that the role that it must assume lies in effecting the process of change toward democracy. A negative attitude serves no one.

[Hayjar] What about the Islamic current? What is the extent of its legitimacy?

[Zouari] Before 7 November, a mood was spread with the aim of robbing the Tunisian people of its Arab, Islamic identity. This compelled many to oppose this policy, which resulted in many acts of violence and discord. Therefore, the first accomplishment of the 7 November change was the state's reconciliation with religion by embedding the Arab, Islamic identity of the Tunisian people. Al-Zaytunah University, a lighthouse of Islam, the Supreme Institute for Islamic Studies in Kairouan, the Supreme Islamic Council, and respect for and the status of our Ulema and shaykhs were restored.

The Islamic current believes that these measures aim to pull the rug out from under its feet. These measures are within the scope of President Ben Ali's comprehensive conceptualization of the structure of Tunisian society and the building of a new society.

On the other hand, there must be no confusion between politics and religion. Religion is more divine than politics, and its character is tolerance, not extremism. Religion becomes extreme when extremists exploit it during political and economic crises.

Therefore, the Islamic current can only be deprived of its legitimacy among the people with a program that aims at economic reform and development to distribute the wealth justly, and concern with culture and education, which is emphasized in the program that we promulgated in our latest conference.

[Hayjar] What are the DCR's financing sources?

[Zouari] Everyone knows that President Ben 'Ali stated, in the first meeting of the political bureau after 7 November, that we must rely on ourselves, and that all forms of state support had ended. We immediately emptied party headquarters of all borrowed employees and we returned them to their places of work. Only 35 dedicated cadres paid by the DCR remained at party headquarters.

The party is currently financed by the membership dues of its 1.5 million members, each of whom pays 1.5 dinars. We also receive contributions from ordinary members, which total from 1 to 10 dinars. Then, there are gifts of the wealthy. During the last elections, for

example, many persons in finance, commerce, and industry helped to cover the costs of the municipal elections campaign.

We are also striving for full financial independence. We have begun to establish investment programs to benefit the party's fund in many Tunisian cities.

## REPUBLIC OF YEMEN

### Ministers Discuss Political, Economic Concerns

90AE0207A Paris AL-YAWM AL-SABI'  
in Arabic 16 Jul 90 pp 14-15

[Article: "How Will Two Yemens Merge in Single State"]

[Text] What are the difficulties created by the plan of the united state of Yemen in the areas of nationalized lands, currency, oil, communications, economy, information, border demarcation, the situation in Bab el Mandeb, the Lebanese crisis, and the international developments? These are the bannerlines produced by the tour AL-YAWM AL-SABI' has made in Sanaa.

"All telephone lines in Yemen could go dead without causing any panic or fear, except for one line, namely the line linked to the point separating the two parts of Yemen. This line resembled the Moscow-Washington red line and was in constant operation. A catastrophe was expected whenever this line went down. What is amazing is that this line went dead on the day unity was announced. Rather, it went dead immediately after the announcement. As usual, the brothers called us from the site where the line is located and reacted as if the end of the world had come as a consequence of the breakdown of the line. We told them calmly and coolly: Let it remain out of order. It is needed no longer."

This is how Mutahhar Taqi, the under secretary of information, explained to us one of the moments that accompanied proclamation of the Yemeni unity and how he sought to put us in the atmosphere engulfing the said proclamation's zero hour.

The zero hour has not passed yet. It started nearly one month prior to our arrival but the Yemenis imagine that it came years ago and that they have been united for a hundred years. This feeling of the flight of time can be justified by two factors. The first is the Yemenis' engrossment in their unification affairs and their preoccupation with a real and open workshop. The second factor is their latent wish to rid themselves of a condition that has harmed them and caused them to live in an atmosphere of suspecting and doubting each other and to employ in this regard their special security agencies, which drained vast funds. But all this has ended because "we have abolished the two previous security agencies, have burned all the compiled dossiers, and have destroyed the listening and surveillance devices because they were used against Yemenis in the north and the

south, not against Yemen's enemies," according to 'Abdal-Rahman al-Akwa', the deputy minister of information.

So, the Yemenis insist on stressing to their visitors that everything connected with the previous situation has ended and that matters are now moving in the direction of the complete merger of the Yemeni people under the canopy of a single state and of united institutions that are being built by way of a big workshop that is spacious enough for all and from which only Yemen's internal and external enemies are excluded.

The visitor to Sanaa these days cannot miss the unification workshop. It is enough for one to move between the ministries and official departments, to read the papers, and to participate in the "relaxation sessions" to realize the true dimensions of this workshop.

Before talking about this workshop, let us backtrack a little to the period of preparation for the unity. In that period, the special efforts of two ministers working against their portfolios, namely the ministers of unity whose task ends with unity, figured prominently. We said this to Rashid Muhammad Thabit, the minister in charge of the relationship with the parliament and the former southern minister of unity, who responded: "This impression was actually prevalent among many. But what concerned us, myself and colleague Yahya al-'Arshi, was to facilitate all the possibilities of understanding between the Yemenis. What was more important was not to transmit problems detrimental to unity from one side to the other. It has become evident to all that our concern in this regard produced an extremely positive result afterward."

Focusing on the agreement points and raising the disagreement points in an unprovocative and uninflammatory manner is what has been underlined by Yahya al-'Arshi, the ex-minister of unity (north) and the current minister of state for cabinet affairs.

Al-'Arshi has defined main points which paved the way for the unity, including the fact that the north (previously) refrained from exploiting the January 1986 events in the south and that it intervened only to mend matters within the Socialist Party, contrary to what had been happening earlier when every side prepared for the moment when the other side would weaken so as to have the opportunity to interfere in that side's affairs.

Al-'Arshi believes that the second point lies in the agreement on the joint zone where "we have been able, perhaps for the first time, to conclude an agreement to work in the border area without maps. We are a single country and we have actually agreed, where many had wagered that we would disagree and fight each other."

Al-'Arshi stresses, and Rashid Muhammad Thabit concurs with him, that the third point lies in the agreement on the joint and free movement between the two parts (1988). "On that day, I saw the beginning of unity" al-'Arshi said, adding: "We have now begun the greater

struggle, i.e. how to lay down the foundations of democratic and political action. This is the difficult job at present."

In the opinion of the Yemenis, especially the naturally optimistic among them, such as Dr. 'Abd-al-'Aziz 'Abd-al-Ghani, an ex-prime minister of the north and a member of the Presidential Council currently, the job is not entirely difficult. Dr. 'Abd-al-Ghani believes that the economic aspects of Yemen will flourish greatly with unity for numerous reasons which include:

- Reducing, not increasing, military appropriations.
- Freezing some military deals (and this takes us to the November incidents).
- Merging the embassies abroad and reducing expenditures.
- Absorbing the administrative apparatus will provide capabilities and will not increase the expenditures.

Dr. 'Abd-al-Ghani also believes that the primary task which the Yemenis keep in sight at present is to totally link their provinces with each other through roads and various means of transportation. Consequently, he affirms that the projects underlined in this regard are:

- 1. The Ma'rib-Hurayb-Bayhan-Hadramawt highway.
- 2. Al-Bayda'-Mukayris-al-Ab'awi-Aden highway, which is a new highway.
- 3. Al-Rahidah-Tawr al-Bahah-Aden highway.
- 4. Speeding up construction of al-Dali'-Qu'tubah-Ibb highway.

'Abd-al-Ghani added: Within the same context, we are planning to set up an electricity company [plant] between Ma'rib and Hadhramaut and to build gas pipelines from the oilfields in Ma'rib to the oilfields in Shabwah. These pipelines will operate in two directions, pumping gas in one direction and oil in another (from Ma'rib to the Red Sea).

Finally, 'Abd-al-Ghani expects Yemen to have a single telephone center, saying: "We will increase the telephone communication channels between the two previous parts."

Regarding the problems and difficulties created by the past difference between the regimes in the north and the south, 'Abd-al-Ghani has said: "There has, in fact, been one regime that relies on the public sector and another that relies largely on the private sector. But in some areas, both parts have relied largely on the public sector. In what was previously the northern part, the public sector supplied 60 percent of the consumer goods. In the south, both imports and supply were controlled by the public sector. This means that the public sector will continue to exist. But the private sector will be permitted to move and it will gradually take over a part of the public sector's role in both parts or will add new roles to its role."

'Abd-al-Ghani has cited daily examples of the difference between the two previous economic systems and of the difficulties created by this difference, saying: "The subsidy for some items, such as milk, will be reduced gradually. This issue has been debated by the parliament. Previously, milk subsidies in the south were estimated at 50 percent [of the cost]. In the north, there is no subsidy. This has created smuggling. It is illogical to continue this subsidy. In the north, we have subsidized wheat and the same thing, namely, smuggling, has happened." Concluding, he said: "The subsidy will be now made uniform. It will be reduced and salaries will be raised."

Will Yemen continue to have two currencies or will the traces of division continue to exist in the currency? "Certainly not," said 'Abd-al-Ghani. "But we have decided not to announce anything in this regard so that confusion may not develop. We are now moving in the direction of establishing a single new currency. We will announce at the proper time the guarantees that allow the citizens to rest assured. The process will take place gradually and all the currencies in the citizens' possession will be replaced over a relatively long period of time without any change in their value or price."

The interview with Dr. 'Abd-al-Ghani had to touch on the current concerns. It so happened that the issue of nationalized lands and homes in the south (previously) was raised during our visit to Sanaa. Raising this issue encouraged some victims to come to Sanaa, to set up tents near the Sheraton Hotel, and to stage sit-ins in those tents in defense of their demands.

On this issue, 'Abd-al-'Aziz 'Abd-al-Ghani warned that the previously confiscated lands which belonged to the south's sultans and to the Hamid-al-Din dynasty in the north cannot be returned. As for the problem of the other nationalized lands and homes, it is possible to solve it, provided that one keep in mind that some of those who are now demanding a solution to this problem were most enthusiastic for the nationalization.

In clarification, 'Abd-al-Ghani said: "The regime in the south did issue in the past a good law to deal with this issue. But in application, there were errors which exceeded the law." According to the Republican Council [as published] member, the authorities are currently discussing the broad lines of a solution based on the following mainstays:

- 1. Compensation.
- 2. Mutual consent.
- 3. Exchange (land for house or vice versa).

'Abd-al-Ghani found it unlikely that the solution will be brought about at the expense of the current beneficiaries of the nationalized properties "because this will create a new problem and will not solve the old problem. Therefore, a solution cannot be achieved by returning to the past."

The workshop for developing Yemeni unity is not confined to the economy solely. It is natural for it to be

comprehensive and to include information as one of its elements, for it is absolutely one of its most significant elements. In this ministry [of information], one does actually notice all the elements of a workshop.

Muhammad Jarhum, the information minister of the united Yemen, gives one the impression that he is not the type of minister who organizes evil or aggressive propaganda campaigns. He speaks softly and steers clear of oratorical language, thus assuring one that he is not fit to head an information ministry of the inflammatory type of which we experienced examples in the 1960's and 1970's during the periods of sharp inter-Arab conflicts.

The unionist information minister speaks a modern and legal language: "We have a new publication law that is probably one of the best such laws in our region. It is being debated by the Chamber of Deputies and it will be applied to all without any distinction."

Jarhum asserts that in accordance with the new law, Yemen will enjoy not only Yemeni but also Arab and international information services, considering that censorship on the imported press has been abolished, except on publications that do not meet the internationally-acknowledged standards of a press publication. According to the new minister, it has been decided to permit an international television network and news agencies to open offices in Sanaa. This is the first time that such a thing has happened in Yemen.

The new minister believes that when the publication law is debated and approved, licenses will be given to any Yemeni citizen who wishes to issue a publication and who meets the legal requirements. Jarhum believes that the new law establishes the desired balance between the official media and the private media, exactly as is the case in the advanced countries. The Yemeni information minister stressed repeatedly during the interview that the media is an indivisible part of the development process.

As for the possibility of papers being financed from abroad, as is the case in some countries, the new minister again refers one to the publication law which does not permit such financing and which spells out the conditions for the national financing of all aspects of publication.

At the Information Ministry, one feels that with unity, Yemen will very soon witness the end of an era that has passed, namely the era of the single newspaper, single publication, and censorship on everything. One also feels that the people previously entrusted with the censorship have lost their power and influence and that they have [no] noteworthy influence in the united ministry.

But how and on what bases does the Republic of Yemen define its foreign policy? This question took us to the Yemeni Ministry of Foreign Affairs which, with unity, now occupies a new location. At the ministry, we interview Dr. 'Abd-al-Karim al-Iryani, the spiritual father of Yemeni unity ("Say one of the contributors," the minister interjects, correcting [my terminology]).

With al-Iryani, every question has an answer and no question goes unanswered or without comment. But one has to prepare one's (mind in order to understand the answers) that are woven in an extremely complex and precise diplomatic language.

We asked him: How can the single Yemeni foreign policy have two ministers? He responded: "Brother 'Abd-al-'Aziz al-Dali and I have known each other since high school days in Egypt. We met constantly and we understood each other before unity was established. There is no problem in this regard. We have not yet gotten together to divide the major tasks that await us because he is busy with bringing his family to Sanaa."

Clarifying, al-Iryani adds: "It is one of the easiest things to divide the tasks between the two of us. In Egypt, for example, Butrus Ghali is entrusted with African affairs. We do not work within just one continent. We can share between us the major burdens that neither of us can shoulder alone. Each of us has gotten somebody to relieve him of a part of the burdens."

The ease of sharing the foreign policy burdens emanates, in al-Iryani's opinion, from the efforts made prior to the proclamation of unity when the relations of the two parts with the major and subsidiary blocs and circles had been unified. So, neither part had relations with an international circle that had no relations with the other part. What is new in this regard is that prior to the proclamation of unity, the two parts had addressed a united message to the countries concerned declaring in it their unification and their adherence to all the international charters and all the treaties concluded with foreign circles by either part.

On the difficulties that the Yemenis have faced in some countries in connection with the unified passport of the Republic of Yemen, al-Iryani said: "In Egypt, there was confusion in the first days of the unity and some Yemeni citizens, most of whom happened to be from the southern part, were delayed in the Egyptian airports. People got upset and returned from the airport. Prompt contacts were then made with the brothers in Egypt and all difficulties were resolved within one week. In the Kingdom of Saudi Arabia, some complications of the sort have developed, most probably because the brothers there are busy with the hajj season."

One question that has imposed itself automatically on every interview with al-Iryani before and after the unity is the question of borders. Is there anything new? Al-Iryani responds: "You have undoubtedly read the government statement. It says that the new state has taken a responsible position vis-a-vis the issues of borders with all its neighbors, not just with Saudi Arabia and Oman but also with Ethiopia, Somalia, and the Red Sea. Here, I wish to draw attention to the fact that we must reach agreement with Ethiopia on the (Talock) line or the central line in the Red Sea to ensure our economic rights. We will work to safeguard our rights in the waters surrounding the Island of Socotra. If we were to declare

what some Latin American countries declare regarding marine rights, we would find ourselves in Somali territories. So we find that the problem of borders is not confined to just Saudi Arabia. It involves several countries. The government has pledged before the Chamber of Deputies to solve these problems and the chamber has welcomed the pledge. Consequently, all problems that have existed between Yemen and its neighbors will be ended and the border issues will be settled in light of the historical and legal rights of all the parties concerned. In international law, there is something called legal rights and something called historical rights. This is normal. A party concerned may stray. But ultimately, only what is right will pass." In clarification, al-Iryani added: "For the first time, Yemen has declared officially that it is committed by law to settling the border problems with its neighbors through equal fraternal negotiations in light of everybody's historical and legal rights."

Regarding Yemen's opinion on the agreement to mark the borders between Saudi Arabia and Oman, al-Iryani said: "If this agreement does not undermine our rights, then it is positive. I have no details on it. But if it undermines these rights, then it is positive for the two parties involved. I will not say that it is negative for us and will not say that it will be a subject of conflict but rather a negotiable issue."

Regarding Yemen's position on the perils currently projected in the Red Sea, al-Iryani said: "I will reiterate what the president has repeatedly said, namely that the Zionist danger to the Arabs is the same and that whoever thinks otherwise is mistaken. Bab el Mandeb may be now a more sensitive area for the enemy than it was a month ago. It is natural that the enemy would think so. But on our part, we are always prepared, always alert, and always cooperative. Yemen alone cannot confront the sensitive strategic dangers. What is required is cooperation and that the Arab nation shoulder this responsibility. But it is definite that the first to die in defending this area will be a Yemeni."

Regarding the Lebanese crisis, Dr. al-Iryani said that both parts have held the same position on this crisis, that there has been no change in this position, and that Sanaa supports the Tripartite Arab Committee.

#### **Party Leaders Discuss Challenges Under Unity**

*90AE0207B Paris AL-YAWM AL-SABI'  
in Arabic 16 Jul 90 pp 16-18*

[Article: "AL-YAWM AL-SABI' Symposium in Sanaa; Five Yemeni Parties Offer Their Opinion on Issues of Pluralism and Democracy"]

[Text] Following is a dialogue with five Yemeni parties on their vision of political pluralism and democracy. This is the topic that, in Sanaa, is being given the lion's share of the debate and discussion among the 18 parties existing in the Yemeni arena and seeking to gain their

own position next to the two ruling parties, namely: The PGC [People's General Congress] and the YSP [Yemeni Socialist Party].

The issue of democracy and of party and political pluralism is getting the lion's share of the discussion and debate in united Yemen. To explore the opinion of the broadest sector of the parties and political forces on this issue, the AL-YAWM AL-SABI' mission organized during its presence in Sanaa a symposium with a number of political parties in which it asked them a single question: What is your vision of political action under the umbrella of party and political pluralism and what method, do you think, should be used to implement democratic action?

Ten out of a total of 18 existing parties were invited and five of them responded, namely: The PGC, the YSP, the Popular Unionist Nasirist Organization, the Socialist Arab Ba'th Party, and the Democratic Septemberist Organization. Following is a summary of what was said at the symposium:

#### **Dr. Hasan 'Abdallah al-'Umari (PGC)**

We thank AL-YAWM AL-SABI' for this initiative and we welcome it. We have followed with interest AL-YAWM AL-SABI' coverage of the historic event in Yemen. I do not doubt that the paper will continue to pursue the course to which it has gotten us accustomed.

Regarding political action under the umbrella of the pluralism to which your question refers, I will say briefly that agreement and consensus are what have led to unity and, subsequently, to acknowledging the counter opinion. The method of political action cannot but be democratic. All parties, particularly the YSP (which ruled the south) and the PGC (the ruling organization in the north) had agreed prior to the creation of the united state on the principles which are approved by all. You can peruse the special document that the Political Action Committee issued prior to the establishment of unity (see cadre). It contains the principles that speak of the constants on which everybody agrees within the context of the constitution.

You are aware that article 39 of the unity constitution stresses that political action shall be free and that the state shall guarantee the freedom of activity and expression for institutions and organization, which are understood to mean parties. Therefore, prohibition no longer exists. Under the umbrella of the united state, we are eager to have opinion and counter opinion instead of underground action which is no longer fit for our modern age.

As for method, the counter opinion must be respected. A law will be soon submitted to the Chamber of Deputies defining the controls pertaining to party action. I do not imagine that this law will be remote from the framework of the document issued by the Political Action Committee.

**'Abd-al-Malik al-Mikhlaifi (Popular Unionist Nasirist Organization)**

We believe that democracy is the method of political action under the umbrella of pluralism. Democracy, as we understand it, is a complete set of ideas and methods that begin with political pluralism, with a democratic parties law, with a democratic press law, and with a democratic election law that permits the peaceful rotation of power. Strides have been made at this level. The political forces have been permitted free expression, even though no parties law exists to date. The latest stride has been the call issued from the Dialogue Committee to the Unified Political Organization Committee to deliberate on the parties bill about which Dr. Hasan has spoken. It has been the viewpoint of the parties outside the government that this dialogue on the parties law should be a broad dialogue conducted through a national congress invited by the political leadership and attended by all on an equal footing.

Despite our conviction in pluralism and in the right of every organization to independent action, we believe that the current phase requires a degree of national cooperation, coordination, and alliance between the parties in the government and those outside it in order to accomplish the tasks of the transitional period properly.

At present, underground action is no longer acceptable, and neither is resorting to undemocratic methods or to methods that persecute the counter opinion, because opposition under the democratic system is a part of this system's structure. Consequently, opposition becomes legitimate and its task is to serve the national action.

**Jarallah 'Umar (YSP)**

To begin, we thank AL-YAWM AL-SABI' for its interest in the new Yemeni unity and democracy plan which represents, in my assessment, a part of the desired pan-Arab plan. I see that AL-YAWM AL-SABI' has distinguished itself from the other papers by showing great interest in what has happened and is happening in Yemen, contrary to the press of some Arab countries, which has not given the Yemeni developments the same interest it has given to the problems of some artists and to soccer developments. This is why we have responded to this invitation promptly to meet with you as journalists and strugglers.

Regarding the YSP, the attainment of democracy was a question of suffering, if we may use the phrase. After this suffering and after critical internal stances, the party agreed on democracy as an option and it opted for democracy when it was in power, when it ruled exclusively, and when it was not subjected to any sort of pressures or demonstrations. He said that the true historical scope of any party is not to monopolize power but to select democracy which climaxes in pluralism. But democracy is a complete process which begins with human rights and ends with the peaceful rotation of power. In this regard, the YSP has numerous documents, including the political reform document and the latest

Central Committee resolutions taken prior to proclamation of the united state of Yemen. This approach represents a complete change in the party's orientation and policy, especially in connection with political democracy.

Moreover, in agreements concluded with the PGC prior to or after proclamation of the State of Yemen and in scattered [joint] statements with a number of the Yemeni political parties and forces, the YSP, along with these parties, underlined democracy as an irreplaceable option and course for developing Yemen and for arranging agreement and disagreement over everything. As the brothers before me have already noted, there is the constitution now. We are all committed to the constitution which grants citizens the right to organize themselves in political parties.

In democracy, theorizing is easy. It is easier to theorize on democracy than to put it into practice, especially in an underdeveloped country like Yemen or in any third world country. Application is a hard and difficult process that demands the cooperation and agreement of all. There is now a bill on party orientation or the orientation of the parties law. This bill has been recommended jointly by the PGC and the YSP, considering that they are partners in the government. There is also a vision on the issue of the constants that could constitute a part of the parties law or that could be included in a code of honor. All these issues require dialogue. What I mean is: How can the parties assume a national character and [not] be northern or southern because this is an important issue that concerns the fate of the united state and concerns safeguarding this state? How can these parties develop belief in peaceful struggle for the attainment of power through the ballot box and not by violence? How can the parties organize the process of their internal financing. These are issues added to the issue of belief in the constitution and belief that the people are the source of authority. There are a number of points proposed for dialogue. Even though the YSP has an agreement with the PGC, we do not understand this agreement to mean that we have monopolized awareness or that we should dictate to the other parties. Rather, we see that there is a possibility for dialogue and for jointly drafting a parties law and a code of honor. I believe that we must all cooperate in this direction and must reconcile the importance of opinion and counter opinion with cooperation and with creating common factors for safeguarding and applying democracy and for developing and enhancing the process.

**'Abd-al-Rahman Mahyub (Socialist Arab Ba'th Party)**

When we try to mold our new political life, we have to backtrack because the future is tied to the past. In our country, this past has taken two forms:

The first form was the one-party rule which was embodied in the rule of the YSP Party which dominated the political life totally, engaging in severe acts of oppression against the other political forces. This led to the

emergence in political life of protrusions which will undoubtedly affect the present and the future. It is difficult for one who has exercised sole control of power, dominated, and used all means of oppression for 23 years to give up everything in a single moment as a result of desire or disposition or because democracy has suddenly descended as a new option.

The second form is the People's Congress. Its name signifies that it is a general framework whereas we have found nothing of this general framework except the name. Within this framework, the Yemeni arena has witnessed various kinds of intellectual terrorism and of hostility to party life. The objective of involving the parties represented in the PGC, including our party, has been a purely propaganda objective. The presence of these parties has been marginal, meaning that the government has exploited the parties without giving them the full right to engage in political action.

We are in need of this critical stand because current reality requires that the nature of the future be examined and debated. Is the YSP serious in embarking on a political process in which all the parties participate? Frankly, I say that we have nothing at present to confirm this, as evidenced by the fact that the southern part of the country witnessed prior to the proclamation of unity and under the YSP umbrella magnificent and positive activities which were met with great satisfaction and appreciation, including the press law, the right to demonstrate, and so forth. But when matters reached a very important point, namely the promulgation of a parties law, the ill-reputed law was, regrettably, issued. This indicated the presence within the YSP of forces and elements that continue to fear the exercise of democratic action and that continue to be ruled by the mentality of domination, control, and the nullification of the role of others. Were it not for the establishment of the united state and for the abolition of this draft law, the bill would have actually turned into a law disturbing us and the national action in its entirety.

In a related development, we also find that the PGC also lives in a state of duality, not knowing whether to act as a framework for the alliance or to turn into a party. This is a major problem and it does, of course, concern us directly.

We believe that the YSP and the PGC should make a clear decision defining their position toward the parties and parties' right to engage in political action. Second, the two ruling parties should acknowledge that the accomplishment of unity is the result of the national movement's struggle and not a monopoly belonging to the two parties. Third, the two ruling parties must acknowledge that building the new Yemen is the task of all the national forces and not the task of the two parties exclusively. Fourth, they should acknowledge politically the right to the peaceful rotation of power by democratic means and the right to abolish all the special decrees and agreements concluded by the two parties. Fifth, the alliance currently existing between the two parties and

(scheduled to last through) the two-year transitional period must not be an alliance at the expense of the other forces.

In light of all of the above, we propose:

First, that a dialogue committee be formed of the two ruling parties, of the major historical parties, and of the recently-declared parties to discuss all bills, including the parties bill.

Second, that all these forces act as a single team in order to create certain forms to nurture political action.

Third, agree that the number one and number two positions in government may not be party positions, meaning that the president of the republic and the vice president may not be from the parties. We are proud of 'Ali 'Abdallah Salih's leadership as president of the republic, and we do not find that necessity dictates that he be the PGC secretary general.

Fourth, that no exceptions be made during the transitional period, that this period be ended as scheduled, i.e. within 2.5 years, provided that the government be dissolved and a provisional government be formed six months before the elections are held. This government should be formed of all the major parties in the Yemeni arena to ensure the integrity and impartiality of the elections.

#### Ahmad Qarhash (Democratic Septemberist Organization)

I do not personally have a clear vision of the conditions under which we live. The political life under which we live has given us a constitution but has not given us a (leadership-oriented or authoritative constitution). In the conditions under which we live, there is no recognized party now and there is no paper issued in the name of a certain party, except for those papers issued by the government or by the YSP leadership.

There are parties that live at their own expense. Their main and sole source of protection is the constitution. It seems that the government does actually want to encourage the parties. The proof of this is the appointment of some party personalities to the parliament. But these notables were selected as political personalities and not in their capacity as party representatives. We have issued a statement in which we said that we reject any appointment by the government unless such an appointment is in the name of the party itself, keeping in mind that such appointments have not exceeded 10 in number. This is a small number when compared to the 230 members representing the PGC and the YSP.

The steps taken so far in connection with the future political orientation are not promising. There are elements from the two ruling parties that push for pluralism. But I am not convinced yet. My viewpoint might be pessimistic but this is what we are experiencing at present.

I believe that there are two visions insofar as the next phase is concerned.

The first vision is of the condition under which we currently live until a law-drafting committee is formed.

The second vision is of the period during which we will live under the umbrella of the special law regulating the parties.

I think that we will disagree. We may accept any necessary law during the transitional period. But we will then have something else to say. What I beg of the two ruling parties is that they consider matters thoroughly.

Our hope or our demand is that we contribute effectively to the committee which will deliberate the issue of regulating the parties and the matters connected with political affairs.

**Dr. Hasan 'Abdallah al-'Umari (PGC)**

In continuation of the answer to the question and in comment on the beneficial dialogue already conducted with the brothers, I believe that a most important base is a sound beginning. It is my belief that the sound beginning lies in not hearing any of us make a false testimony against the others.

The PGC did undoubtedly contribute to the real preparation which led us to this very important phase. I agree with brother 'Abd-al-Rahman Mahyub that if unity were not a historical demand living in the Yemeni people's conscience, neither the PGC nor the YSP could claim, either collectively or individually, that they alone have accomplished Yemen's unity. But brother Mahyub cannot deny that the PGC and the YSP are responsible for crystallizing this event.

Regarding the parties law, the bill will be presented by the government, not by the PGC or the YSP. All the influential forces in political life should contribute to accomplishing this law in order that the government may be inspired with a bill that regulates our country's party life. This bill will be presented to the Chamber of Deputies. There, it will be examined carefully to ensure that it guarantees that the constants and the fundamentals will not be violated. I do not think that any of those present here could disagree with such issues as national loyalty, safeguarding the Islamic faith, non-subservience, and non-violation of the constitution.

One of the brothers said that the president of the republic or the prime minister must not belong to a party. This is groundless, or else President Bush and Mr. Mitterand would resign. Elections and voting are the main authority. We hope that we will all cooperate during the transitional period to attain the desired goal, namely general elections and a government formed of the forces obtaining the majority of the people's votes.

**Jarallah 'Umar (YSP)**

This is for clarification, not comment. These statements, and the similar statements published in the press, are an indication that we are close to democracy and I believe that we will fully exercise it. But we must all work for a proper inlet. We are now talking to the press. But at the same time, we are engaging in dialogue with each other. This is a good positive feature. I do not wish to defend the YSP or to deflect the criticism addressed to it. The YSP has had enough self-criticism. Some have even said that it has engaged in self-flagellation and has gone to excess in its self-criticism. Regarding all that has been said about the past period in which the YSP ruled solely, the party has criticized that entire period. But that period is not the entire YSP. The YSP has either made or has contributed to undeniable accomplishments. I do not wish to dwell on this. It suffices that the YSP has given up the power of which it had control, beginning with the presidency and ending with the smallest police station. It has given up the power for principled reasons and for intellectual reasons, without being pressured by a single protest. The strikes and the demonstrations occurred after these laws were passed to regulate strikes and demonstrations. The police did not intervene to suppress any strike. Rather, peaceful negotiations were held with the strikers. For the national and pan-Arab options, the YSP gave up many things and even postponed its social options. It has invited the others to participate in the government. The YSP is now a partner with the PGC. It is even preparing itself to become an opposition party. This is the YSP. I wish the (rightist) parties that rule in the Arab homeland would do half as much.

[AL-YAWM AL-SABI'] Why would the YSP become an opposition party?

[Jarallah 'Umar] Because it believes in the peaceful rotation of power. We must assume that we will be outside the government. Not all the criticism that has been voiced is unacceptable. Part of it is acceptable and sound. This part must be considered and all the complications that have occurred must be dealt with. We have never said that unity is the work of the PGC and the YSP solely. We have said—the constitution has said—the citizens must have a right to self-organization. We fully agree with the demands that brother 'Abd-al-Rahman has made, including the demand that the PGC-YSP alliance not be perpetuated at the expense of the other forces. The alliance must assist these forces and must urge them to unite, to agree on common factors, and to move forward in order to build Yemen and democracy and to confront the difficulties that will arise later. Development, democracy, and reform can be accomplished only by all of us together. This is why we invite the brothers in the parties, especially in the major parties, to a dialogue with us. Through dialogue, all the problems can be solved. What other course can lead to a common understanding and to the settlement numerous points? I say in the YSP's name, and I am confident that the PGC agrees with what I say, that the nation is entitled to democracy.

Regarding the parties law issue, the political forces have been invited to debate this issue. I believe that inviting the political forces to debate the issue is a reflection of democracy. The observed tradition is that the government submit the bill to the parliament. But we have considered it to be democratically better to hold dialogue on this bill and to agree on its main orientation and then to have it drafted by the government and submitted to the parliament. The gist of what I want to say is that we are prepared for dialogue and we invite the others to participate in it. Through dialogue, we can agree on the formulae.

**Ahmad Qarhash (Democratic Septemberist Organization)**

I do not disagree with what brother Jarallah has said. We do not deny the sacrifices made by the YSP. But the YSP has gotten a prize of which it had not dreamt, namely to rule the Republic of Yemen, beginning with prime minister and parliament speaker and ending with...

**Party and Political Action Taboos**

The "bill of the basic orientation of the parties and political organizations law," drafted by the Political Organization Committee, notes eight principles for

which any established Yemeni party and any Yemeni party to be founded in the future may not work. These taboos constitute a sort of general national "code" by which all agree to abide. The eight prohibited principles are:

- 1. Antagonizing the republican regime.
- 2. Engaging in separationist, sectarian, provincial, and factional tendencies.
- 3. Undermining public security and order, engaging in conspiracy and violence, inciting violence, engaging in fanaticism and radicalism, and pronouncing religious and political characterizations that undermine human dignity.
- 4. Including military or para-military formations in the means used by the political party or organization.
- 5. Antagonizing the other political parties and organizations and accusing them of acts of which only the judiciary are entitled to charge them.
- 6. Engaging in partisan polarization within the armed and security forces.
- 7. Dealing with any foreign circle or allowing the party and organizational activity to be directed by foreign circles.
- 8. Slighting the people's Islamic faith, fighting religion, or claiming a monopoly on religion.

## BANGLADESH

### Paper Reports on President Ershad's Beijing Visit

#### Ershad, Li Peng Talks

90AS0266A Dhaka THE BANGLADESH OBSERVER  
in English 30 Jun 90 pp 1, 8

[Excerpt] Beijing, June 29:—The entire gamut of bilateral relations and cooperation between Bangladesh and China was reviewed at the formal official talks between President Hussain Muhammad Ershad and Chinese Premier Li Peng here today, reports BSS.

Both Bangladesh and China have agreed to expand and intensify further the bilateral cooperation between the two countries for the mutual benefits of the two peoples.

The two leaders during the talks emphasised the potentials for further bilateral cooperation in economic, trade, culture and other fields and discussed the proposals for possible cooperation in the future.

President Ershad and Premier Li Peng also had a tete-a-tete before joining the formal meeting.

Briefing newsmen on the "Fruitful talks" held at the Great Hall of the People, Foreign Secretary Abdul Ahsan said the talks lasting about two hours were marked by climate of cordiality and understanding.

There has been a very warm and positive response on both sides on matters of bilateral cooperation and general convergence of views on matters of international, regional and bilateral issues, the Foreign Secretary said.

Mr Ahsan said, both the leaders discussed international issues with particular reference to Europe, East-West relations, Kampuchea, Afghanistan and the Palestine.

Both President Ershad and Premier Li Peng underlined the importance of peace and stability in South Asia and in this context they felt that the existing problem between India and Pakistan should be peacefully resolved through negotiations.

The Chinese Premier briefed President Ershad his country's position on Kampuchea, Afghanistan as well as the evolving situation in Europe.

President Ershad also gave his views and perception on the developments in Europe.

He also outlined the steps that Bangladesh had taken on the economic, social and political fields for attaining economic development and social progress as well as to strengthen the democratic institutions.

While reviewing the bilateral cooperation, the Foreign Secretary said, both the leaders expressed satisfaction that the decisions taken earlier were being implemented satisfactorily.

They also exchanged views on expanding the scope of cooperation between the two countries and in this regard discussed proposals on probable areas of cooperation in the future, Mr Ahsan said.

It was agreed that delegations will visit Bangladesh to assess the feasibility of some of the proposals discussed. Both sides also underlined the importance of regular exchange of views at high level as a means to further consolidate their relationship and understanding between them, the Foreign Secretary said.

On the basis of understanding reached earlier as well as the decisions taken in today's meeting some agreements on follow-up action is expected to be signed between the two countries tomorrow.

In the talks, President Ershad was assisted by advisers on primary education Mansur Ali Sarkar and on NGO affairs Michael S. Adhikari, Foreign Secretary Abul Ahsan, Commerce Secretary M. Mokammel Haque, Secretary of Roads and Transport Division Nasimudin Ahmed, Industries Secretary Mosharraf Hussain, Energy Secretary Hasinur Rahman, Shipping Secretary Group Captain (Retd) Syed Ahmed and Bangladesh Ambassador to China Farooq Sobhan.

Chinese Premier Li Peng was aided by Minister for Communications Qian YongChing, Vice Foreign Minister Zhen Pei, Vice Minister on Foreign Economic Relations and Trade Lu Xuejian, Deputy Chief of the General Staff of the People's Liberation Army Xu Xin, Assistant Foreign Minister Xu Dunxin and Chinese Ambassador to Bangladesh Chen Songlu.

Later, President Ershad attended a luncheon hosted in his honour by Premier Li Peng at the Great Hall of the People. [passages omitted]

#### Three Agreements Signed

90AS0266B Dhaka THE BANGLADESH OBSERVER  
in English 1 Jul 90 pp 1, 8

[Text] Beijing, June 30:—Bangladesh and China today signed three agreements and two exchanges of letters covering new areas of cooperation between the two countries, reports BSS.

The agreements are on scientific and technical cooperation, building a bridge by China on the river Mahananda and institutionalising periodic consultations between the officials of the ministries of Foreign Affairs of both the countries.

The signing of the agreements and exchange of letters is the follow up of the formal talks, held yesterday between President Hussain Muhammad Ershad now on a five day state visit to China and the Chinese Premier Li Peng.

The agreements, would broaden and deepen the relationship between Bangladesh and China also reflects the maintaining of momentum generated in the ties between the two countries, Foreign Secretary Abul Ahsan said.

This also demonstrated the better understanding and personal rapport that existed among the top leaders of the two countries, Mr Ahsan said.

The agreements were signed by Foreign Secretary Abul Ahsan and Secretary of the Roads and Transport Division Nasimuddin Ahmed on behalf of Bangladesh side and Vice-Foreign Minister Tian Zheng Pei and Vice Minister for Foreign Economic Relations and Trade Lu Zue Jian from the Chinese said.

President Hussain Muhammad Ershad and Chinese Vice President Wang Zhen witnessed the signing ceremony, held at the Diaoyoutai State Guest House.

Chinese Minister for Communications Oian Yong Chang, Adviser to the President on Primary Education Mansur Ali Sarkar and on NGO Affairs Michael S. Adhikari and other members of the Bangladesh delegation were present.

Under the agreement on scientific and technical cooperation the two countries will exchange experiences, scientific and technical information and data and personnel.

China will undertake the construction of a bridge over the river Mahananda under the other agreement signed today.

Under the protocol on institutionalising consultation between the officials of the ministries of Foreign Affairs of both the countries, the officials will hold periodic meeting on international situation, bilateral relations and issues of mutual interest.

The protocol also provides for holding of consultation between the representatives of the two countries [passages omitted]

## IRAN

### General Overview of Internal Workings of Majlis

90AS0243A Tehran KAYHAN INTERNATIONAL in English 24-26, 28 Jun, 1-2, 4-5 Jul 90

[24 Jun 90 p 4]

#### Part I

[Text] Tehran, June 23 (Kayhan Int'l)—What follows in this space will be a series of articles giving a general overview of the basis and internal workings of the Islamic Consultative Assembly (Majlis) in Iran, its duties, how it functions and its achievements.

We will also discuss the people's trust in their representatives, laws passed and look at the internal regulations of the Majlis.

The Majlis has been tangibly successful in ratifying laws that were needed by the country and at the present time has focused its efforts on accelerating the passage of laws that are urgently needed in the present situation.

Added to the legislative duties the Majlis has other duties, including monitoring political happenings and leading these trends in the direction of the general line of the Islamic Revolution.

It is because of these functions that news of the Majlis still heads the country's internal news coverage and is attentively watched by news media and foreign analysts. This is because the Majlis is supported by the public and the leadership. It was exactly for this reason that Imam Khomeini, the deceased leader of Islamic Revolution, considered, the Majlis as the axis of the country's politics and the pulse of its administrative apparatus.

#### Victory of Revolution, Change of the System

The Islamic Revolution of Iran came in the aftermath of a continuous and bloody struggle of the people based on three concepts: the religion of Islam, the solid unity of the masses and the leadership of Imam Khomeini whose leadership realized the unity of the nation under the banner of the revival of Islam and made the revolution victorious on Feb. 11, 1979, ending the rule of the imperial regime, internal dictatorship and the foreign hegemony dependent on it.

With this victory the grounds for realization of the motto "Independence, Liberty, Islamic Republic, which was the popular demand in the bloody demonstrations all around the country was prepared. The leader of the revolution thus gave the order for holding the referendum that would change the royal regime to an Islamic Republic.

The ummah thronged to the polling stations and as Imam had said, gave a positive vote for an Islamic Republic without a word more or less. Thus on April 1, 1979, the governmental system of the country was recognized based on 98.2 percent of the total vote and was to be known formally by the title of Islamic Republic.

#### Compiling the Constitution

With the ratification of the Islamic Republic system and order to prepare the practical grounds for the Islamic government, it was necessary to formulate a constitution. On Aug. 3, 1979 a general election was held to elect delegates for compiling the constitution. Finally the Assembly of Experts began work on Aug. 19, 1979, with 72 delegates. These men who were Islamic experts and scholars succeeded in compiling the constitution in three months through continuous efforts, aided by the Islamic spirit ruling the atmosphere of their sessions and the explicit support of the Imam and the ummah.

This constitution won final approval from the assembly and was ratified by 99.5 percent of the votes cast in a national referendum on Dec. 3, 1979. Thus the line of the Islamic Republic system was determined on the bases of the constitution inspired by the Qur'an and prophetic tradition.

[25 Jun 90 p 4]

#### Part II - Constitution and the People's Government

[Text] Tehran, June 24 (Kayhan Int'l)—The mission of the constitution is to give objectivity to the subjective grounds of the movement and prepare conditions for the unity of the Islamic ummah. Moreover, it is meant to create a society based on Islamic equality, it considers the God given right of popular government applicable through articles number 56 and 57 by empowering three branches of government; the executive, the legislative and the judicial in order to avoid any concentration of power or possibility of dictatorship, while insuring the participation of people in the administering of the country.

These three branches of power have separate duties and responsibilities. They act as checks and balances on one another under the supervision of the velayat-e-faqih (supreme jurisprudent) of the ummah, which is the continuation of the rule of Prophet Muhammad (SAWA) and the infallible Imam's. The system is designed to execute the rule of Allah based on articles 5 and 57.

#### Islamic Jurisprudence

Among the fundaments of government in the constitution, is the principle of velayat-e-faqih which controls the other forces of government and is the symbol of Islamic government. The concept and the person embodies the precept of "the Rope of God", around which the people and the three branches of government gather and enjoy unity from separation, deviation and electicism.

For instance the Iranian people are aware of the fact that from after the revolution until now, on all the occasions which the conspiracies of the internal and the external counterrevolution from one side and the disputes of government officials from the other side, could have broken the unity of the people, an ordinance from Imam Khomeini unified different stratas of people and government officials. This objective experience in the sensitive and history making days of our country is indicative of the great role of the supreme jurisprudent.

#### The Islamic Consultative Assembly

The Islamic Consultative Assembly which must be formed by the direct vote of the people nationwide for selecting their representatives, from the view point of the constitution is the symbol of power and popular government. It defines the meaning of republic and the other two branches of power are in fact the executor's of its laws.

The philosophy of the existence of the Majlis is the objective realization of the verse... "and their rule is to take counsel among themselves", which assigns the believers to consult with each other in their affairs, and is the practical realization of article 6 of the constitution

which prescribes electing representatives by popular vote for administering the country.

It is on the bases of article 7 of the constitution that the Majlis is regarded as one of the pillars which decides and participates in the administering of the country.

Administering affairs in this way is a throwback to the era of Prophet Muhammad (SAWA) and is based on the Qur'anic verses. "And their rule is to take counsel among themselves" and take counsel with them in the affairs". It was Muhammad's (SAWA) practice to gather his companions and seek their advice.

Of course there is a big difference between an Islamic assembly and Western parliaments, with the exception of their formal identity they differ in content, the principles of the deputies, the kind of relations they have with each other and with the executive apparatus, the method of working, goals and the function. The difference is as much as the difference between Islam and Western civilization.

What is basic in the Iranian parliament's method of procedure is safeguarding the interests of the people, not secret compromises and raising political tumult. Maybe the most impressive and general explanation in this regard would be the same definition of Islamic Consultative Assembly in which counsel is considered as a matter of obligatory worship. This definition describes the counsel as the source of growth for just thoughts and in this way, the Majlis becomes free of despotic rule and the state of being the tool of justification for the oppression of the oppressors. It becomes an active and creative structure in the service of people and the religion of Islam.

[26 Jun 90 p 4]

#### Part III - The Philosophy of the Authority of the Islamic Consultative Assembly

[Text] The legislature is the manifestation of the nation's will. Because of this, based on article 76, the Majlis has the right to investigate all aspects of the countries affairs. In relation to this authority, each deputy according to article 84, is responsible before the nation. This responsibility requires liberty, thus each deputy is free to express himself to fulfill his or her duty according to article 84 and nobody can prosecute or arrest him/her.

The constitution has given the right to the Islamic Consultative Assembly based on article 71 to ratify laws in all spheres and in the framework of the constitution. With the realization of this article the Majlis is in fact considered as the preserver of the society and is charged with preparing the grounds for the growth of a society based on the principles of Islam. It should substitute the Islamic regulations for those laws which have blocked the growth and progress of the society. Most of the barriers to growth and the factors of retardation of the Islamic ummah have not been a result of internal despotism but rather because of foreign colonialism and

exploitation of Iranian resources through disadvantageous agreements and trade exchanges etc. This was accomplished at the hands of international Zionism and imperialism and have caused the countries' degeneration.

According to article 77 and 82 all these matters should be ratified by the Majlis so that the channels of infiltration of the international colonial forces would be closed, the level of innovation and creativity of the nation increased and the grounds for self-sufficiency and independence be realized. Obviously then, the Islamic Consultative Assembly is an important factor for the progress and freedom of the Islamic ummah.

By reviewing and authorizing all foreign political, economic and cultural relations the Majlis can avoid the influence of imperialism while its power for giving or withholding the vote of confidence to the government (article 87) and the right to impeach the government (article 89) prevents the executive branch from becoming despotic and dictatorial.

By passing laws proportional to all the societies needs based on Islamic values and the explicit observance of their execution, the Majlis can help in creating a society based on equality and justice. It can also create new values in today's world of dualism and oppression and realize the hope of the world's oppressed masses for liberation from the rule of imperialism and Zionism.

The duties of the Islamic Consultative Assembly are:

- 1) Determining the qualities and conditions of judges.
- 2) Compilation and ratification of regulatory laws for the judiciary.
- 3) Determining the legal procedures and the combination of the judicial apparatuses of the country.
- 4) Ratification of executive laws.
- 5) Ratification of treaties, protocols and international agreements.
- 6) Ratification of the countries yearly budget and supervising its execution.
- 7) Reviewing the president's political competence.
- 8) Supervising the function of government.
- 9) The right to express itself in all the internal and external affairs of the country.
- 10) The right to investigate all the countries affairs.
- 11) It represents the highest authority for auditing the people's complaints.

[28 Jun 90 p 4]

#### Part IV - The Guardian Council

[Text] In addition to the Islamic Consultative Assembly, there is also the Guardian Council, which according to article 93 actually gives the Majlis legitimization. The duty of this council is to safeguard Islamic law and the constitution based on article 91.

The composition of the council is as follows:

1) The leader selects 6 jurisprudents who are convergent with contemporary needs and issues.

2) The judiciary introduces six legal experts who are ratified by the vote of the Majlis.

The presence of six jurisprudents on the Guardian Council is in fact one of the manifestations of the authority of the velayat-e-faqih of the ummah on the judicial forces, as is stated in the text of article 57.

In order that the laws and programs of the Islamic Republic of Iran be based on belief and faith, the Guardian Council was designated in the constitution of the Islamic Republic to avoid past corruption, the danger of despotism, and to prevent resort to force and intimidation.

The structure in the Islamic Republic is one of the most progressive, creative and noble structures that can preserve everything in the line of Islam, Islamic nation and Islamic Revolution, and insure the complete independence of the country.

It is clear that because of an error or the expectations that the evil propaganda of foreigners and aberrant groups creates, it may be said that an anti-Islamic or anti-constitutional law must be ratified by the Majlis, it may in the future and maybe because of certain considerations. The Majlis could conceivably make decisions which would be disastrous and even allow for the rule of foreigners and make the countries independence fade away. That is why the existence of the legal power of Guardian Council is necessary to inspect all legislation according to religious laws and the constitution and avoid the mentioned dangers from coming about. The Guardian Council also tends to enhance the trust of the people in the laws and their Islamic correctness while adding to the credibility of all the entire structure of the Islamic Republic system.

#### The Program of the Islamic Consultative Assembly

The deputies of the Majlis have two jobs. One is attending the open sessions of the Majlis in order to express their opinions and to review of plans, bills and ratify or refuse them. The other duty is to participate in the various commissions of the Majlis.

### Majlis Open Session

According to the by-laws of the Majlis, deputies must attend the Majlis on the days which would be determined beforehand, and be present in the Majlis not later than 15 minutes after the beginning of the session, in case of coming late, they would be penalized by the head of the Majlis. Each deputy who is absent at voting time, regardless of it being an open or secret ballot, is entitled to one impeachment. Majlis discussions are open according to article 69 of the constitution and the session must be broadcast by the radio and published by the newspapers of the country for public information. Iranian and foreign news agencies can participate in the open sessions of the Majlis.

The program of open sessions are as follows:

1. Declaration of the Majlis being in session by the Majlis speaker
  - a. Reading of the agenda by the Majlis secretary
  - b. Reading of a few verses of the Qur'an, possibly in relation to the agenda
2. Speeches given by deputies before the agenda
3. Majlis agenda
  - a. Examination of plans and bills
  - b. Questions asked from ministers or cabinet
4. The end of session

Now we will explain each of these procedures briefly.

1. Declaration of Majlis being in session and its beginning. With a quorum at least 180 deputies, the chief of the Majlis, by ringing a bell, declares the Majlis in sessions. Then the Majlis secretary reads the agenda and after that, the recital of the Qur'an is the only voice which is heard in the Majlis.

#### 2. Speeches of deputies before the agenda

Because "each deputy is responsible before the nation and has the right to express himself in all the internal and external affairs of the country" based on article 84 of the constitution, it is written into the by-laws of the Majlis that each deputy who has an important subject to talk about for the knowledge of the Majlis and the nation talks in his turn. The speech of each deputy is limited to 10 minutes and he or she can give all of it or at least 3 minutes of it to another deputy. All these speeches added together must not exceed 30 minutes.

[1 Jul 90 p 4]

#### Part V

[Text] Speeches delivered before the agenda are only the opinions and the positions of the Majlis deputy himself. According to the constitution, deputies are free to express themselves and it is not possible to prosecute

them because of what they have said in the Majlis. But according to the by-laws of the Majlis, deputies are themselves responsible for safeguarding the reputation of the Majlis and its deputies and the observance of order and the execution of the Majlis' rules of conduct. In cases in which occasionally a deputy does not observe the above obligations, the speaker of the Majlis would take systematic actions as follows.

1. Oral notification
2. Warning
3. Impeachment and citing of the guilty party to be present in a session of the Majlis's executive body.

Meanwhile if some deputies relate reports of unbecoming behavior to other deputies explicitly or implicitly the deputy in question can request to address that session or the next one in order to deny the charge. The Majlis speaker can disregard the order of speakers and give him 10 minutes to talk about the subject.

Disrupting other deputies speeches, creating disturbances, levelling accusations, personal protests and any kind of action that causes disorder in the Majlis is forbidden. The guilty party would be subject to the penalties written in the regulations. The Majlis speaker is responsible for preventing these violations. In each session of the Majlis only the Majlis speaker can brief the deputies on the important events and urgent problems of the day before entering into the regular agenda.

#### Majlis Agendas

The Majlis Agenda usually calls for examining the plans, decrees, or other questions and in urgent cases impeachment of the cabinet or one of the ministers.

The weekly agenda of the Majlis should be prepared by the executive committee of the Majlis through reviewing the decrees and plans of the various commissions, and after publishing and distribution of those materials the agenda is attached to the official briefing board.

Those decrees and plans which have priority may be put on the weekly agenda of the Majlis for an immediate hearing. This happens on the demand of the government or fifteen deputies who have suggested those decrees and plans and with the okay of the executive committee of the Majlis.

Those plans and decrees which have second degree priority are not subject to this regulation and would be discussed in the Majlis 24 hours after their distribution in the Majlis. In case the Majlis approves a third degree priority of decrees or plans this will necessitate a change in that day's agenda. Now we will discuss the agenda of Majlis sessions in two separate parts.

- a. Examination of plans and bills.
- b. Deputies questions from ministers or the cabinet.

#### **A) Examination of Plans and Bills and Their Ratification**

According to the constitution, the Majlis can ratify laws in all aspects of affairs within the limitation stated in the constitution, article 71. According to article 74 of the constitution, legal decrees, after their approval by the cabinet are given to the Majlis.

Legal plans are proposable to the Majlis with the suggestion of at least 15 deputies and according to article 94 all Majlis ratifications must be sent to the Guardian Council.

If the Guardian Council finds them in accordance with Islamic principles and the constitution, the ratified bills are executable and would be given as an official notice to the president for their execution. The president is responsible for signing laws passed by the Majlis and he has to give this legislation to the appropriate officials for execution within five days.

[2 Jul 90 p 4]

#### **Part VI**

[Text] Proposed bills, and plans are classified as regular, first degree priority, second degree priority and third degree priority. Bills are defined as a piece of legislation passed by the cabinet which is given to the Majlis for approval. A legal plan is a suggestion with the signature of at least 15 deputies of the Majlis which would be given to the speaker of the Majlis.

#### **B) Questioning of Officials**

Article 70 of the constitution reads as follows:

"The president and ministers have the right of participation in open sessions of the Majlis individually or collectively, and their assistants can accompany them. In case the deputies' request it, ministers must be present in the Majlis and when ever they desire, their speeches would get a hearing."

According to article 88 of the constitution, in case a deputy questions an official or minister about his duties, that minister should come to the Majlis and answer the questions. This answer should not be given later than 10 days after the question is raised, unless with valid justification and with the Majlis's consent.

#### **(4)—The End of the Session**

According to the Majlis by-laws, the duration of each session would be a maximum of four hours which can be continuous or intermittent, unless in urgent cases and with the approval of both the speaker of the Majlis and the general body. At the time of the annual budget's discussion, sessions should be held daily except for Friday and official holidays, continuously and at least four hours a day.

The agenda should be arranged so that it would not interfere with the time of prayers. Based on this and after

the agenda, the names of absentes and also the program of the commissions' work and necessary notifications is given for the knowledge of the deputies and the end of the session would be declared.

The Majlis speaker must make known the day and the hour for holding the next session. This date would be registered in the comprehensive list of the discussions unless in urgent cases (with the approval of the executive corps of the Majlis) which must be declared officially at least 24 hours before the session.

#### **Closed Sessions**

Article 69 of the Constitution says this about closed sessions: "In emergency cases, if the security of the country demands, based on the demand of the president, or one of the ministers, or 10 deputies, a closed session would be held. The measures approved in the closed session of the Majlis are valid if, in the presence of the Guardian Council they receive the approval of  $\frac{1}{4}$  of the total number of the deputies. The minutes and conclusions of these sessions should be published for the information of the public after the emergency condition ends.

[4 Jul 90 p 4]

#### **Part VII - Internal Commissions of the Majlis**

[Text] According to article 85 of the constitution, in necessary cases the Majlis can give over the authority of passing certain laws to its internal commissions. The condition is that these laws would not be opposed to principles and rules of the official religion of the country or the constitution and be agreed to by the Guardian Council.

In this case these laws would be executed on a temporary basis in the time period that the Majlis determines and final approval would be okayed by a Majlis vote.

Since examination and discussion of the Majlis' plans and pending legislation is not possible in the open sessions and needs much time for the necessary inquiries, smaller gatherings of deputies are authorized to hold sessions to examine and complete legislation and those plans which have been given to the Majlis by the deputies or other state organs. Each commission can invite experts for consultation with the approval of the majority of its members. Deputies who are not members of a particular commission can attend commission sessions without, however, the right to vote.

The number of each commission's members is a minimum of seven and maximum of 13. The number of commission members included in articles 90, 88, 76 are exceptions to this law and is a maximum of 31 persons.

#### **Kinds of Commissions**

- 1) Permanent Commissions:

Permanent commissions are formed based on the fundamental problems and structures of the country, but in order to simplify and accelerate the function of a commission, identical commissions can become one with the approval of the Majlis.

The number of Majlis commissions is not limited. If other commissions seem to be necessary, it would be suggested and with the approval of the Majlis a new commission will be added to previous commissions. Each deputy should accept membership on at least one commission for which he has been elected.

#### 2) Non-Permanent Commissions:

In the case of bills and plans whose relation to a certain commission is not clear and has different aspects, the executive officers of the Majlis can form a temporary commission. The members of this commission will be elected by related commissions.

Then the executive officers of the Majlis would give that bill or plan to the temporary commission and the commission would report its ruling after consultation.

With respect to exceptional and important problems which the country faces and when the formation of a specific commission becomes necessary for the examination and report on the problem, a commission is formed by the suggestion of fifteen deputies and the approval of the assembly. The members of that specific commission, ranging from five to 11 people, would be elected directly in the open session of the Majlis by secret ballot.

[5 Jul 90 p 4]

#### Conclusion - Executive Heads of the Majlis

[Text] The deputies of the Islamic consultative Assembly must elect a speaker, two vice speakers, six secretaries and three commissioners from the assembly itself for the period of one year and for the execution of affairs related to the Majlis.

#### Secretaries

The duties of the secretaries briefly are as follows:

1. Arrangement of Qur'anic verses to be read in the beginning of the sessions.
2. Arrangement of the agenda and compilation of the speeches
3. Reading the agenda, plans, bills and reviewing cases according to the by-laws.
4. Distributing turns between deputies and inviting them for pre-agenda speeches, expressing approval or refusal, enforcing regulations and giving legal warning.
5. Notifying deputies of the sessions schedule.
6. Taking deputies notes present in the session and giving them to the officials being questioned.

7. Keeping attendance and tardiness records.
8. Tallying votes.
9. Filing the papers related to the Majlis.

The above mentioned duties are distributed between secretaries by the executive directors and each of them is responsible for one area:

#### Vice Speaker:

In the absence of the Majlis Speaker, the first vice-speaker and in his absence the second vice-speaker would administer the session.

Each vice-speaker is responsible for supervising the quality of office performance at one of the general offices, i.e., stenography, and secretariat, law and technical regulations.

#### Commissioners:

Each one of the three commissioners of the Majlis is responsible for supervising the correct execution of each one of the below given affairs (defined briefly):

1. Financial and administration affairs (including accounting and recruitment office).
2. Communication and cultural affairs (including public relations, telex, telephone center, library, printing house).
3. Public affairs and services (including security forces, preparations, building maintenance and technical installation).

The speaker of the Majlis is the chief of the executive board and all the Majlis offices.

The speaker of the Majlis is the general representative of the Majlis in contacts and visits with other official bodies and is responsible for observance of and execution of articles of the Constitution and the Majlis's internal regulations.

#### Central Bank Announces Quake-Relief Package

904S0248B Tehran KAYHAN INTERNATIONAL  
in English 30 Jun 90 p 1

[Text] Zanjan, 29 June (IRNA)—One billion rials (over \$14m) in cash has been contributed by the country's banking staff as relief aid for the reconstruction of quake-stricken areas of Gilan and Zanjan provinces, Central Bank Governor Mohammad Hussein Adeli said Thursday.

He also said that the Cash and Credit Council of the Central Bank will hold an emergency session next week to defer repayment of loans given to farmers of quake-stricken areas.

The Central Bank is also ready to provide facilities for packing the agricultural products of the said areas to have them shipped to the markets, said Adeli.

"We are also ready to help reconstruct residential complexes in the affected areas," he added.

The branches of the Sepah Bank in AB-Bar and Gilvan villages of Zanjan resumed work Thursday, a week after being totally destroyed by the quake which measures 7.3 degrees on the Richter scale.

In Manjil also the rebuilt branch of the Sepah Bank was opened the same day.

#### **Tehran Consumer Goods Price Survey**

*90AS0248C Tehran KAYHAN INTERNATIONAL  
in English 8 Jul 90 p 2*

[Text] Tehran, 7 July (IRNA)—The retail price of several consumer goods dropped at Tehran's open market during the past Iranian month of Khordad (22 May-21 June).

A statistical survey conducted by IRNA in several major markets of the capital city showed that out of a basket of 20 consumer goods, price of 14 items fell between 0.7 to 49 percent during the period compared to their prices in the preceding month. However, price of five items jumped between 4.5 to 14.3 percent.

Price of potato, tomato, onion, peas, lentil, detergents, butter, beans, meat, chicken, cheese, home grown rice and eggs fell while imported vegetable oil, split peas, sugar, and imported rice rose.

The highest decline was in potato 49 percent, tomato 19.8 percent, onion 11.5 percent, detergents 6.5 percent and butter 3.5 percent.

The price drop in protein products and fresh vegetables was on account of the season, said the report.

Meanwhile, the rise in price of imported rice, vegetable oil and sugar is attributed to hike in price of foreign currencies in Tehran.

Price of imported vegetable shortening rose by 9.5 percent, sugar and imported Thai rice each 4.5 percent.

Dollar was up by 2.3 percent Wednesday compared to the same day during the last month, added the report.

#### **Non-Oil Exports Subject of Seminar**

*90AS0250A Tehran RESALAT  
in Persian 17-20, 23-27, 30 Jun*

[17 Jun 90 p 11]

#### **Need for Systematic Thinking in National Export Planning**

[Article by Dr. Mohammad Reza Ghanbari]

[TEXT] In order to achieve the objectives of the Five-Year Plan for national economic, social, and cultural expansion, the second seminar [concerning] the need for expansion of non-oil exports of Iran, emphasizing on industrial goods, was held through the efforts of the Alameh Tabatabai University, the Ministry of Industry, and the Iran National Industries Organization, on 29 and Khordad [19 and 20 Jun 1990] at the Economic Sciences Department of Alameh Tabatabai University.

Due to the importance of this issue and on the occasion of the inauguration of the seminar, excerpts of some articles will be presented in the next several issues:

In the recent history of several countries in the world, exports have been considered as the prime generator of growth and economic expansion. It is for this reason that [the issue of] exports have been considered as one of the most important matters related to economic expansion. In our country, despite the need for increasing the value of our non-oil exports to \$18 billion—including \$9 billion for export of industrial goods—as stipulated in the National Five-Year Plan, the most important objective of this plan must be economic growth and expansion. Indeed, in our country the non-oil exports, and its expansion thereof, are essential because of the special sensitivity as regards the dire domestic need of exports. Therefore, [export planning] must be done with utmost precision and with an open mind.

At first, export expansion planning must focus on the low industrial capacity and on the export of those goods with no adverse effect on domestic consumers. In view of the dominance of the import culture and the lack of an export culture in the country, unfamiliarity with national strengths and weaknesses in relation to gaining entrance into the world export market and the timing for entering such markets—in order to gain initial experience—it is necessary to aim at penetration, presence, and the collection of information from major world markets, thus gaining experience and the recognition of competitors.

Regretfully, before the revolution the foreign trade culture was import oriented. Even the expansion of national industries was done aimed at replacing imports. After the revolution, when talk of exports was being heard at different times, not much attention has been paid to exports considering that the main objective has been self-sufficiency and the replacement of imports. The volume of exports have been a function of fluctuations in the price of oil and shows increases only when there has been a reduction in the price [of oil]. Therefore, in this regard, statistics indicate a great degree of instability which is a result of lack of planning and mainly due to personal interests which, most frequently, are aimed at earning some foreign exchange to be used on other lucrative endeavors.

The policy of self-sufficiency and replacement of imports has caused considerable stagnation in manufacturing and in the reduction of exports. Overall, there has been no export planning and as regards instances in which

some efforts have been made it has been as a result of personal efforts or that of a particular organization. Such efforts have been mostly isolated and, since they never pursued similar goals and lacked coordination, they added to the gravity of the situation.

Considering the above issues and feeling the need of the society, in the past several years a number of seminars in this regard have been conducted. Also, numerous useful articles addressing the issues, difficulties and hardships, and suggesting suitable solutions for them have been written and presented. Most of these article address specific issues which are very useful. However, what is missing in this research is an overall view of the whole of the national export system, including the main goal of the integral parts of this system, internal and external association of this system, position of this system in political and economic equations of the world, and roles of the developed countries in the growth and expansion of [economies] of the Third World.

Now that the importance of exports in economic growth and expansion has become clear to the officials of the country, it is necessary that the whole of the export system be subject to concise studies and production be considered as the pivotal axis of all these activities. Also, expansion of export culture must take on a high priority among managers, officials, and the people.

In order to achieve this goal, utilization of systematic thinking is unavoidable. In this article, it has been attempted to study the importance of systematic thinking in national export planning. Based on this, the goals, components, and relations within the national export system both as an independent system and, also, as a subsystem of the world commercial system. In addition, there are subsystems within this system each of which plays a decisive role in reaching the goals. At the same time, these must be given some importance with respect to their relative priority. This priority must be precisely recognized and there should be a comprehensive plan for export as a component of the economic regime of the country.

[18 Jun 90 p 11]

**Importance of Petrochemical and Chemical Exports in Economic Expansion**

[Dr. Ahmad Mojtabae]

[TEXT] Within the framework of strategies of economic expansion, industrialization has been the focus of economists' attention as part of the expansion process. Without this [industrialization] economic expansion has no meaning. However, today most economists believe that it is not necessary for developing countries to follow the model of industrialized countries for industrialization, and each country can, in accordance with its own values and set of circumstances, plan its own model.

Formulation of expansion strategies for countries in accordance with the possibilities and natural resources is

a result of the principal of "Comparative Advantage" which was at first suggested by "Ricardo" and, later, was generalized to include the modes of production by "Elin Hecksher." According to this principle, developing countries can utilize the principle of "Comparative Advantage" for achieving their goals for expansion. In this regard, manpower and natural resources, as two factors, can be the basis for industrial expansion and the selection of advanced technology.

Considering the existence of large gas and oil reserves, Iran must divert its attention from the export of [crude oil and gas] to the export of petrochemical products which are of higher value compared to gas and oil. Although in previous years—by stating certain characteristics for petrochemical industries—technology and technical know-how for this industry was kept from developing countries, but developments regarding oil prices, technological expansion and use of gas in place of oil resulted in the transfer of a part of the petrochemical industry to oil- and gas-rich countries.

It is an opportune time for Iran to make up for lost advantages in petrochemical industry's expansion as a result of ten years of war and special circumstances and recover [its losses], with double-paced efforts, in order to enter the international market. Considering the [results of] economic studies that have been conducted, this matter for Iran is more a "must" rather than an "option".

[19 Jun 90 p 11]

**Expansion of Industrial Exports**

[Iraj Zeynalzadeh]

[TEXT] Obstacles to the expansion of industrial exports are: Foreign exchange shortages, foreign exchange rate fluctuations, inflation, export regulations, shipping costs, and lack of management and expertise. In order to alleviate the above difficulties from industry, the following is suggested:

1. Transfer of suitable industries to free ports: In free ports, industries may be exempt from customs, administrative and foreign exchange protocols, transportation costs and other expenses will be deducted from the price of the finished product. Raw materials are imported on a temporary basis and exported after being transformed into finished products.

2. Foreign exchange funds: It is natural that due to foreign exchange limitations, not all sources can be allocated foreign exchange at low rates. Applying this method, only industries which possess the inherent capability for export and have found a market abroad may receive allocation of foreign exchange at low rates so that the price of their products may be competitive in foreign markets.

3. Temporary or consignment import of raw materials for manufacturing: At times when we have foreign

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exchange limitations, by taking advantage of this method we can utilize the unused manufacturing capabilities of factories. With this method there is no need for foreign exchange for import of raw materials.

4. Support of industrial units without permits from industrial ministries and by utilizing the manufacturing capabilities of units under the auspices of industrial ministries: Most foreign exchange facilities and resources of industrial ministry will be placed at the disposal of [manufacturing] units which possess permits issued by industrial ministries.

5. Expansion of export of goods which require more energy and manpower, or industrial goods whose production require less foreign exchange, such as sulfur products of [oil] refineries and building stones.

6. Making import of raw materials contingent upon export of part of manufactured goods.

7. Reduction or elimination of foreign exchange service charges with respect to industrial goods.

8. Elimination of pricing protocols for industrial export goods by the pricing commission, since the responsibility of the said commission is the composition of foreign exchange tables for the Ministry of Industry. Also, the foreign exchange table can be the basis for services charges for the Ministry of Industry.

[20 Jun 90 p 11]

#### Models and Experiences of Other Countries as Regard the Japanese Export Model

[Dr. Mohammad Malekizadeh]

[TEXT] From the time when Adam Smith attempted to study economic expansion and growth, reasons for the development of some countries compared to others, reasons for speedy renovation of certain countries, and methods for the implementation of such developments, have preoccupied the thoughts and minds of thinkers and scientists.

One of the reasons for faster development of some societies during the past 200 years and their pioneering role in economic expansion, while maintaining internal stability, is to a great extent the fact that their [economic] expansion took place at a time when there was less competition. As a result, these societies became the most influential commercial and industrial centers in the world, and, in many respects, the models for the rest of the world. Of course, it must not be forgotten that economic expansion is a revolutionary process. However, recently developed countries and those which were not independent, lacked the necessary facilities for such a purpose. Most countries [which] were released from [colonial] bondage started thinking about [economic] expansion only recently. However, other problems have befallen these countries.

There are many indications that economic activities are directly linked to many aspects of human life. For example, economic success is directly linked to the risk-taking character, the endeavors of a nation and policies of its government. Above all, it is linked to the capability to organize the education and training, production capacity, and acceptance of the needed techniques.

In any event, as there is need for many facilities in order to achieve the goal of expansion, there are many ways to secure the objective. One way for expansion is to develop international trade.

Experience proves that with respect to the role of exports in national economies of the world, increase of exports by one dollar have prompted an increase in income and investments of twice this rate, the creation of new jobs, and a considerable increase in the national income tax.

Our country Iran, as a Third World nation, with a single source economy, has no other alternative but to be self-reliant by adopting the policy of replacing imported goods and exporting oil products to increase its self-sufficiency. We may use the Japanese model, to a certain point, in the expansion of international trade, and [may] take advantage of experiences of this country on a case by case basis and as may be useful. One of experiences of this country which may be useful for us in this regard is the integration of the industrial sector with the foreign trade.

[23 Jun 90 p 11]

#### Some Points

[TEXT] During the two day seminar addressing the need for export and its expansion for non-oil products, attended by a number of experts, many crucial points were discussed, some of which were as follows:

A- Regarding household goods: Dependence on imported goods has resulted in lower manufacturing level. For instance, lack of domestic compressor manufacturing has hurt the refrigerator industry and its production level has declined. With respect to other required intermediary [products] which are dependent upon imports, the Ministry of Industry intends to complete the missing production links by applying new investments.

With regard to household goods, our factories can fulfill only 40 percent of the market's requirements. It suffices to imagine that we have 300,000 marriages each year which means there are 300,000 new families with new demands that enter into the picture.

B- Textile industries: Textile industries are among those being transferred to developing nations. We have been establishing this industry without adequate support because we have not thought about providing the main ingredients: artificial fibers. The Ministry of Industry must act immediately to create a large artificial fiber

manufacturing [industry] to save the textile industry from its dependence on imports. Considering that the raw material for manufacturing artificial fibers are petroleum derivatives, Iran can expand its presence in the international textile market with the cheap production of artificial fibers.

Increase in production of petrochemical products and their extensive export is of significant importance. However, our programs are not in line with the optimum utilization of many facilities.

C- Nonmetallic mining industry: Cement industries are not environmental pollutants. Good examples of this are the industrialized countries which manufacture much cement without any sign of pollution being detected in their environment.

Our cement industry has not been designed with exports in mind. New factories must be built in the southern coastal regions specifically for export purposes. The creation of three manufacturing plants the size of Sepahan Cement Factory can produce for us a net foreign income of about \$300 million annually (three times the present industrial exports of the country).

In order to be able to reach the annual production level of even Iraq in the year 1986, we must produce close to 60 million tons of cement in 1373 [21 Mar 94 - 20 Mar 95]. This is when the Five-Year Plan calls for a 32 million tons in annual production.

As for the manufacturing of tiles and ceramic, by the end of the Five-Year Plan, we will be considered one of the major producing and exporting countries in the world.

[24 Jun 90 p 11]

#### **Creation of Export Information Bank**

[Lotfali Bakhshi]

[TEXT] In its path toward continuous and steady growth, Iranian exports require some fundamental factors among which the most crucial is the information needed by exporters about world markets.

The collection and timely dissemination of marketing information from all over the world among exporters, those involved and those concerned in various fields are among the basic needs for conducting the all encompassing, fundamental and long term activities concerning exports.

Marketing and information on the different situations in various countries and world markets requires time, expenses, and many facilities. The implementation and execution of such activities are not within the scope of any exporting group, private or public. It is necessary that the government conducts such services for exporters on a wide scale.

In this regard, so far no organized and concerted effort have taken place. The utilization of all forces, facilities,

and scattered information in public, semipublic and private organizations, in an opportune manner, for the establishment of this information bank must be considered.

Commercial attaches of Iranian embassies in various countries can take on a very important role in this regard as suppliers of information to the bank—on a continuous basis—with frequent changes as needed by exporters.

Scattered information in the Chamber of Commerce, Commerce Ministry, Exports Expansion Center, some newspapers and magazines, private corporations, export organizations, National Industry Organization, and the Downtrodden Foundation can be gathered and organized. This could be a big boost to the volume of information collected in this bank.

After its establishment, this bank could separate all the information and respective changes and send them regularly to all interested parties, public or private, and export associations according to their product. Having such information enables exporters to gain accurate data about markets of other countries and plan the export of their own goods to those countries accordingly.

In addition to the reduction of marketing expenses, this method creates new outlooks and markets for exporters. This will also open the way to new markets and [will provide] protection to and expansion of existing ones.

[25 Jun 90 P 11]

#### **Study of Some Domestic Obstacles of Non-Oil Exports**

[Hoseyn Ghazza'vi, Economic Research and International Studies Office of the Economic Affairs and Treasury Ministry]

[TEXT] Developmental and long term view of the export issue is a crucial matter. In this article attempts have been made to study some of the domestic obstacles of non-oil exports, taking into consideration numerous phases of export procedures. On this basis, and according to their degree of importance in the three areas of agriculture, industry, and mines, obstacles to exports will be viewed. Naturally, statistical information from recent years regarding exports by these [three] sectors will be used. In addition, some issues regarding general guidelines for exports, the use of foreign exchange earned from exports, marketing, comparative advantage, effects of monetary and foreign exchange policies on exports, commercial permits, difference in the domestic and foreign exchange rates, flexibility of guidelines, etc., will be discussed.

A. Agriculture sector: The first step toward the export of goods is to obtain the export license. This requires annual designation of authorized and unauthorized goods [for export]. If this declaration is not on time, exporters of certain goods, such as pistachios, will lose the April (Farvardin) market.

The second step after obtaining the export license is the provision of goods. This phase is facing the pariahs of advance purchase and wholesale dealerships. The next step is the quarantine. The fourth, is going through the pricing commission. The fifth, is the deposit of foreign exchange guarantee which results in freezing part of the exporter's assets. Finally, comes customs where, by some fast and routine maneuvers, of course, specific obstacles may be eliminated.

**B. Industrial sector:** The important issue concerning this sector is that the raw material used for manufacturing export goods lack the necessary variety and desired high quality. This matter hurts the trade volume and intensifies the wear and tear in the equipment. On the other hand, if an exporter wants to personally import his needed raw materials, the time involved is such that his contract for the export of goods may expire. Another problem is the multirate structure of insurance which differentiates between the earned profits resulting from various economic units involved in the manufacturing of the same goods. And, finally, discussion about the problem of sending samples combined with a strategy for the expansion of exports of industrial goods have been mentioned.

**C. Mines sector:** Lacks mainly adequate and necessary facilities, and is void of modern equipment.

[26 Jun 90 P 11]

#### Analysis of Iran's Position Regarding Non-Oil Exports in Barter Trades

[Engineer Go'l Cohen]

[TEXT] Motives for establishing barter trade can be not only due to political or economic necessities, but it can also appear as a result of adopting case by case or incidental policies.

In general, in all international trade relations, exchanges take place at times when payments are by mutually acceptable foreign exchanges or by exchange of goods or, in a more precise way, barter trade. Available statistics show that at the present time about one-third of the world trade volume, worth over \$700 billion, is in the form of barter trade.

Emphasis on the barter trade model among socialist countries—in the long term—caused disorders, shortcomings and backwardness in industrial and manufacturing areas. This resulted in the creation of a locked in commercial-economic system in these countries. In addition to socialist countries, the Third World countries, including Iran, after World War I entered into this arena. During the recent years Iran has tried, for various reasons, to increase its barter exchange share within the scale of its foreign trade. On this basis, some kind of barter trade agreements have been signed with the Soviet Union, Rumania, Hungary, Poland, Czechoslovakia,

Bulgaria, Democratic Republic of Korea, China, Pakistan, Yugoslavia, Turkey, Syria, Sri Lanka, and East Germany.

Regretfully, trends concerning the non-oil barter trade volume with socialist countries during [the period of] 1355 to 1367 [21 Mar 1978 - 20 Mar 1989] show that the share of these countries from the overall non-oil Iranian exports have dropped from 27.9 percent to 9 percent. This is when—after the establishment of the Islamic Republic—member countries of EEC have nearly doubled their share from 26 percent to 51.4 percent. The same process is evident in the level of the country's imports. The ever-increasing trade deficit between Iran and other countries is among major obstacles in Iran's barter exchanges.

In an article I have presented to the "Necessity for Non-Oil Exports Seminar", based on the research that has been conducted, it has been attempted to study the trend of change in the non-oil export during the 1355 to 1367 period, while [an attempt has been made] to determine the role of barter agreements in absorption or non-absorption of goods and Iranian products.

Searching for the reason behind the existing gap between non-oil barter exports and corresponding imports is among the topics of discussion that has been focused on in this study and [one] which leads to a logical evaluation and conclusion. Also, analysis of the factors leading to inclusion of oil—in other words dependence of non-oil exports on oil exports—in barter trade is another subject where efforts will be made to evaluate the weak and strong points concerning the inclusion of oil, besides other export materials of Iran.

[27 Jun 90 p 11]

#### Container and Its Role in Transportation

[Vadadi-Nejad]

[TEXT] In the contemporary age transportation has a high place in the world, among developed and developing countries. Expansion of the principal transportation network, the required facilities for transportation and the method of utilizing the facilities or, in another word, transportation management has become a specialized field in which the requirements for expertise have become evident in all of its facets.

Contrary to other economic sectors, transportation encompasses, to some degree, the process of distribution. This is because it is considered one of the ingredients or components in the distribution system among various regions.

Nowadays, expansion of transportation network—like other fields—requires specialization of fundamentals and transportation management in conjunction with the arrival of advanced technical equipment. Also, due to [transportation's] significant volume in the economic

and social life, it is beginning to become an industry. On the other hand, the complex use of modern equipment requires specialization.

A new equipment for shipping in the transportation industry is [called] "Container" which is a case with specific standards. This [case] is designed for easy transportation, safe delivery of goods to the final destination, reduction of damages to the goods or, prevention of probable tampering.

Utilization of containers has the advantage that, based on the shipping and distribution packaging, goods do not require packaging in connection with sea, rail or land transportation. Goods may be packed in containers in their final packaging and, after reaching destination, the empty container may be returned to the initial [loading facility].

Expansion of the use of containers in transportation requires establishing special guidelines regarding their return and exchanges.

[30 Jun 90 p 11]

#### Economic Study of the Potential of Iron Ore Production and Export of Iran's Mine Metals and Steel

[Engineer Go'l Cohen]

[TEXT] Mine materials—especially metallic and iron ore—have a special position within the overall collection of Iran's non-oil exports. The reason for this is that, because of a severe drop in the price of oil and considering the value and massive potential of mines and various mining reserves scattered all across Iran, mining operations can hold a very high priority as a result of their role in exploration, gathering and refining the mining material, creation of employment and the value which may be added to the overall income of the country.

During the years 1355 to 1366 [21 Mar 1977 - 20 Mar 1988] altogether about \$404,420,000 worth of all kinds of mined metals have been exported abroad. This figure reached 6.7 billion rials in 1367 [21 Mar 88 - 20 Mar 89] which shows approximately a \$93 million increase. The share of iron ore materials in the collection of non-oil exports of Iran is much less than other mined metals.

Although based on the latest forecasts the iron ore reserves of Iran is estimated to be about 1.79 billion tons which—in comparison to the total world reserves of 8.3 billion tons—is a substantial amount but, regrettably, Iran's total production level is about two to three million tons per year. Compared to productions in Australia (90 million tons), Sweden (18 million tons), the Soviet Union (247 million tons), and Brazil (97 million tons), this is a dismal figure.

As for the non-ore mining material needed for the steel industry—coal, manganese, and natural gas—Iran also has huge resources which can be a suitable potential in the industrial growth and expansion along with being, in part, a non-oil exporter. Despite existence of such valuable resources, Iran's share of the world steel production has fallen drastically.

Recent statistics show that in 1367 [21 Mar 88 - 20 Mar 89] about 1.4 million tons of steel was produced in Iran's mills with the total value added price of 73 million rials. This, compared to the world steel production in 1987, which was 950 million tons, is a little over one-seven hundredth or about 0.14 of one percent. This is when the Soviet Union's steel production was over 160 million, Japan's was about 100 million, India's was 12 million, Taiwan's was 5.5 million, Turkey was about six million, and Bulgaria's steel production was approximately three million tons.

#### English-Language Version of 1986 Census Published

90AS0248A Tehran KAYHAN INTERNATIONAL  
in English 10 Jul 90 p 6

[Text] Tehran, 9 July—English version of the 1986 National Census of Population and Housing is now published.

According to a report released here by the Statistical Center of Iran the 1986 National Census of Population and Housing is the fourth census which has been conducted in Iran so far and the first since the establishment of the Islamic Republic of Iran. The census was designed and successfully carried out by the Statistical Center of Iran in spite of the Iraqi imposed war.

The other three censuses were conducted respectively in 1956, 1966, and 1976 at 10-year intervals prior to the 1986 census.

The report added that in addition to the preliminary reports published on the census, over 450 volumes of the census detailed results have been published at three geographical levels, i.e., the whole country, ostan (province) and shahrestan (townships). The National Census of Population and Housing, October 1986, Selected Tables is the English version of the census detailed results for the whole country, which contains such information as population characteristics, i.e., number of population, age and sex structure, marital status, migration, religion, literacy status, education, health and treatment, activity status, major occupational groups, major industry groups, employment status, household distribution, household structure, household living facilities, household dwelling unit, household industries as well as other particular data at total country level.

The report also said that the data have been presented in the form of 34 detailed tables, by urban and rural areas, to be used by the country's planners and decisionmakers.

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